

CITY COUNCIL PROCEEDINGS

March 11, 2009

The City Council of the City of David City, Nebraska, met in open public session in the meeting room of the City Office, 557 N 4th Street, David City, Nebraska. The Public had been advised of the meeting by publication of notice in The Banner Press on March 5th, and an affidavit of the publisher is on file in the office of the City Clerk. The Mayor and members of the City Council acknowledged advance notice of the meeting by signing the Agenda which is a part of these minutes. The advance notice to the Public, Mayor, and Council members conveyed the availability of the agenda, which was kept continuously current in the office of the City Clerk and was available for public inspection during regular office hours. No new items were added to the agenda during the twenty-four hours immediately prior to the opening of the Council meeting.

Present for the meeting were: Mayor Dana Trowbridge, Council members Gary Smith, Nick Hein, Mike Rogers, Gary Kroesing, and Bill Scribner, City Administrator Joe Johnson, City Attorney Jim Egr, and City Clerk-Treasurer Joan Kovar. Council member Yindrick was absent.

Also present were: Police Chief Stephen Sunday, Water/Sewer Supervisor Gary Janicek, Mrs. Carol Brehm, Janis Cameron, Carolyn Yates, Randy Janak, Bill Schatz, Willow Holoubek, and Banner Press Editor Larry Peirce.

The meeting opened with the Pledge of Allegiance.

Mayor Trowbridge informed the public of the "Open Meetings Act" posted on the east wall of the meeting room and Resolution No. 2-2008 establishing rules and procedures for public participation at city council meetings.

The minutes of the February 11th meeting of the Mayor and City Council were approved upon a motion by Council member Hein and seconded by Council member Smith. Voting AYE: Council members Rogers, Scribner, Kroesing, Smith, and Hein. Voting NAY: None. Council member Yindrick was absent. The motion carried.

Mayor Trowbridge asked for Petitions, Communications, and Citizens' Concerns in addition to those contained in the Agenda packets. Mayor Trowbridge informed the public that Citizens' Concerns cannot be acted upon or addressed as that would be a violation of Nebraska Revised Statutes #84-1411.

Carol Brehm made reference to agenda item #25 - Consideration of entering into executive session to have conversations regarding strategic planning for 911 communication services - and asked if any decisions would be made in executive session. Mayor Trowbridge explained that no action can be taken in executive session and no action will be taken when they come out of executive session as there is not an agenda item for further action.

Council member Kroesing stated that Gary Niemann, 3651 MN Road, was questioning if Time Warner had to serve all of the annexed areas of David City. Niemann tried to get service from Dish TV but they said no, and so now he is trying to get service from Time Warner CableVision. It was discussed that we have a Franchise Agreement with Time Warner but that might give them "the right to serve" those within the city limits of David City, rather than "requiring them to serve". City Administrator Joe Johnson stated that he will review the Franchise Agreement.

Mayor Trowbridge asked for consideration of claims. Council member Smith made a motion to authorize the payment of claims. Council member Kroesing seconded the motion. Voting AYE: Council members Scribner, Hein, Rogers, Kroesing, and Smith. Voting NAY: None. Council member Yindrick was absent. The motion carried.

Mayor Trowbridge called for Committee and Officers' Reports in addition to those written reports contained in the Agenda packet.

Council member Scribner made reference to the Standing Committee minutes stating that when the Personnel Manual was discussed he specifically asked to meet with the employee committee to further discuss the personnel manual. That was not stated in the minutes and Scribner wants that added to the Standing Committee minutes.

Maintenance of alleys was discussed. It was noted that the City does not provide gravel for alleys. The street department will grade the alleys and fill potholes but if a citizen wants gravel in the alley they are billed for the gravel.

Council member Hein complimented the street department making reference to their report which stated "some overtime for snow removal only; no snow hauled on Saturday or Sunday to reduce overtime costs."

Council member Hein made a motion to accept the Committee and Officer Reports as presented. Council member Smith seconded the motion. Voting AYE: Council members Scribner, Rogers, Kroesing, Smith, and Hein. Voting NAY: None. Council member Yindrick was absent. The motion carried.

Mayor Trowbridge read the following Proclamation:

CITY OF DAVID CITY
OFFICE OF THE MAYOR

Executive Order PROCLAMATION

TO ALL TO WHOM THESE PRESENT MAY COME, GREETINGS:

WHEREAS, the month of March, 2009, has been designated as "Disability Awareness Month" to celebrate and recognize people with disabilities by the Governor of the State of Nebraska; and

WHEREAS, disability is a natural part of the human experience and in no way diminishes the right of individuals with disabilities to live independently, enjoy self-determination, make choices, contribute to society and experience full in the economic, political, social, cultural and educational mainstream of American society; and

WHEREAS, family members, friends and members of the community can play a central role in enhancing the lives of people with disabilities especially when the family and community are provided with necessary support services; and public and private employers are aware of the capabilities of people with

disabilities to be engaged in competitive work in inclusive settings; and

WHEREAS, the goals of this city and state properly include providing individuals with disabilities the opportunities and support to make informed choices and decisions; live in homes and communities where such individuals can exercise their full rights and responsibilities as citizens; pursue meaningful and productive lives; contribute to their family, community, State and Nation; have interdependent friendships and relationships with others; and achieve full inclusion in society.

NOW, THEREFORE, I, Dana "Skip" Trowbridge, Mayor of the City of David City, Nebraska, do hereby proclaim the month of March, 2009, as

DISABILITY AWARENESS MONTH

In the City of David City, and call upon citizens of David City to observe the month with appropriate programs and activities; furthermore, I encourage the citizens of David City to seek counsel and input from any person or group with knowledge and expertise in matters concerning disabilities.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed, the great seal of the City of DAVID CITY, at the Mayor's Office, this 11th day of March, 2009.

Mayor (signature), City of David City

Mayor Trowbridge stated that after further investigation it was noted that at the Board of Health Meeting, Randy Janak had been given to the last day of May to abate the nuisances located on his property at 198 West D Street. Mayor Trowbridge opened the floor for public discussion. Randy Janak stated that he could have the house down by May 31, 2009, but nothing was ever said about the garage. Mayor Trowbridge stated that the City has been trying to get this property cleaned up since 2000. The City cleaned the property in 1999 and filed a lien against the property for \$5,000. Mayor Trowbridge stated that the "Notice of Nuisance" covered everything on the property located at 198 West "D" Street; lot line to lot line, this includes the garage. [The "Notice of Nuisance" stated the property located at 198 West "D" Street contained the following nuisances and the first six nuisances dealt with "a storage type structure"; items 7 thru 11 dealt with "a garage type structure"; items 12 thru 16 dealt with "a residential structure"; item 17 dealt with "accumulation of litter and worthless vegetation; and 18 dealt with "many unlicensed and inoperable vehicles, to include trailers".] Randy stated again that he could have the house down by May 31st but he still had quite a bit of stuff in the garage. Mayor Trowbridge stated that Randy has been given several deadlines to clean up this property and it is now time to get something actually accomplished. Randy said that he wasn't going to get himself all riled up about this because it wasn't worth it. There was no more discussion from the floor.

Council member Scribner stated that he didn't want to declare the property at 198 West D Street a nuisance until the time was up. "Randy has till May 31, 2009" Scribner said. Mayor

Trowbridge asked: "What do we gain by waiting till the June council meeting to declare the property a nuisance?" Council member Rogers asked City Attorney Egr for a legal opinion. City Attorney Egr stated that the legal notice was published, the Notice of Nuisance was mailed to Randy Janak, Randy was present for the hearing discussion, so the council could pass the Resolution today.

Council member Rogers introduced Resolution No. 5 - 2009. Council member Hein made a motion to pass and approve Resolution No. 5 - 2009 declaring the property located at 198 West "D" Street a public nuisance and further more directs the City Administrator of the City of David City, Nebraska, to begin abatement of the nuisances located on said property on, or after, June 1, 2009, unless a notice of appeal is made with the District Court of Butler County, Nebraska. Council member Rogers seconded the motion. Voting AYE: Council members Scribner, Kroesing, Smith, Rogers, and Hein. Voting NAY: None. Council member Yindrick was absent. The motion carried and Resolution No. 5 - 2009 was passed and approved as follows:

RESOLUTION NO. 5 - 2009

WHEREAS, the City of David City, Nebraska has authority by Municipal Code § 4-401 to establish definitions of what constitutes a public nuisance. Specifically, the maintaining, using, placing, depositing, leaving, or permitting any of the specific acts, omissions, places, conditions, and things as set out in § 4-401(B) of said municipal code.

WHEREAS, the City of David City, Nebraska has authority by Municipal Code § 4-402 to abate all nuisances.

WHEREAS, the David City Board of Health at a public meeting held on January 8, 2009, declared the property located at 198 West "D" Street, David City, Butler County, Nebraska, to be in violation of Municipal Code § 4-401 (B), and a public nuisance.

WHEREAS, The City Council of the City of David City, Nebraska hereby affirms the January 8, 2009 findings of the Board of Health.

WHEREAS, the City of David City, Nebraska, having followed the rules and procedures as set out in § 4-402 of Municipal Code, does hereby declare on this the 11th day of March, 2009, that said property, owned by Randy L. Janak at 198 West "D" Street, David City, Butler County, Nebraska, to be a public nuisance.

WHEREAS, the Governing Body having declared said property to be a public nuisance, by this Resolution, orders and directs that the public nuisances be abated at once by means of demolition. The owner, occupant, lessee, or mortgagee may appeal such decision to the District Court of Butler County, Nebraska.

THEREFORE, BE IT RESOLVED THAT, the City of David City has declared the property located at 198 West "D" Street, David City, Butler County, Nebraska, to be a public nuisance, and further more directs the City Administrator of the City of David City, Nebraska to begin abatement of nuisances located on said property on, or after, June 1, 2009 unless a notice of appeal is made with the District Court of Butler County, Nebraska.

DATED, this 11th day of March, 2009.

Mayor Dana Trowbridge

City Clerk Joan E. Kovar

Mayor Trowbridge opened the Public Hearing at 7:30 p.m. to consider the request by Leslie Milne for additional time to abate all the nuisances located on her property at 241 South 4th Street, David City, NE.

Correspondence was received from Leslie Milne which stated:

February 27, 2009

To: Administrator Joe Johnson CC: Attorney Jim Findlater
Chief Steve Sunday
Supervisor Jim McDonald
Attorney Jim Egr
Mayor Dana Trowbridge

Nuisance Abatement Timetable - 241 S. 4th Street, David City, NE

Items 1 - 6: Shed is slated for removal on or before April 13. The removal team will not commit to a fixed date of completion because of prior schedules and possible weather delays.

Items 7 - 11: Garages are slated for priming, painting, and general repair on or before May 31, 2008(9). Exterior repairs will commence within the next few weeks. Exterior Painting is subject to weather and work crew schedules.

Item 19: New yard service will begin March 1, 2009.

Item 20: To mitigate the ongoing litter problems, patron car idling and honking noises, over-bright lighting disruption, pedestrian traffic noise, smell of grease from the cooking and disposal unit, garbage truck service noise, delivery truck noise, cleaning crew noises and the other attendant issues that arise as a result of the operation of a commercial public eatery in a residential neighborhood, the removal of fencing, grasses, shrubs, trees, tree portions, and unsafe overhead limbs on the shared property line between 241 S 4th and 375 Nebraska Street has always been arranged and performed by the management of the drive in, currently operated as an Amigo's franchise on their own time schedule to minimize business disruption as well as to increase visibility from the street. There have been no changes to this pre-existing, decades old arrangement.

Should you have any questions or concerns, please contact me. (A phone number and an e-mail address was provided)

Leslie Milne
Owner
241 S. 4th Street
David City, NE

Mayor Trowbridge stated that he called and visited with Leslie. Mayor Trowbridge asked who her work crew was and what their timetable was. Mayor Trowbridge stated that Leslie said family would be the work crew, as they have uncles, nephews, brothers, and cousins in the Pender, Omaha, Seward, and Lincoln areas; she wasn't sure about a timetable. She was not definitive. When Mayor Trowbridge talked to Jan Sypal about the tree agreement, Jan said she knew nothing about it. Jan said they had asked permission at one time to trim the trees on their side of the property line so that tree limbs wouldn't fall on their customer's vehicles. Leslie said that Jan probably didn't know about the agreement because Dan Sypal was the only one she ever talked to. Leslie said she didn't know the shed was already down. Mayor Trowbridge said it is down; in a pile of rubble; they apparently didn't have time to remove the pile of rubble. There being no further comments, Mayor Trowbridge declared the Public Hearing closed at 7:35 p.m..

Council member Hein introduced Resolution No. 6 - 2009 and moved for its passage and adoption. Council member Kroesing seconded the motion. Voting AYE: Council members Scribner, Rogers, Smith, Kroesing, and Hein. Voting NAY: None. Council member Yindrick was absent. The motion carried and Resolution No. 6 - 2009 was passed and approved as follows:

RESOLUTION NO. 6 - 2009

WHEREAS, the City of David City, Nebraska has authority by Municipal Code § 4-401 to establish definitions of what constitutes a public nuisance. Specifically, the maintaining, using, placing, depositing, leaving, or permitting any of the specific acts, omissions, places, conditions, and things as set out in § 4-401(B) of said municipal code.

WHEREAS, the City of David City, Nebraska has authority by Municipal Code § 4-402 to abate all nuisances.

WHEREAS, the David City Board of Health at a public meeting held on January 8, 2009, declared the property located at 241 South 4th Street, David City, Butler County, Nebraska, to be in violation of Municipal Code § 4-401 (B), and a public nuisance.

WHEREAS, The City Council of the City of David City, Nebraska hereby affirms the January 8, 2009 findings of the Board of Health.

WHEREAS, the City of David City, Nebraska, having followed the rules and procedures as set out in § 4-402 of Municipal Code, does hereby declare on this the 11th day of March, 2009, that said property, owned by Leslie Milne at 241 South 4th Street, David City, Butler County, Nebraska, to be a public nuisance.

WHEREAS, the Governing Body having declared said property to be a public nuisance, by this Resolution, orders and directs that the public nuisances be abated at once by means of demolition. The owner, occupant, lessee, or mortgagee may appeal such decision to the District Court of Butler County, Nebraska.

THEREFORE, BE IT RESOLVED THAT, the City of David City has declared the property located at 241 South 4th Street, David City, Butler County, Nebraska, to be a public nuisance, and further more directs the City Administrator of the City of David City, Nebraska to begin abatement of nuisances located on said property on, or after, June 1, 2009 unless a notice of appeal is made with the District Court of Butler County, Nebraska.

DATED, this 11th day of March, 2009.

Mayor Dana Trowbridge

City Clerk Joan E. Kovar

Council member Hein made a motion to recess the City Council meeting and convene as the Community Development Agency of the City of David City, Nebraska. Council member Smith seconded the motion. Voting AYE: Council members Scribner, Rogers, Kroesing, Smith, and Hein. Voting NAY: None. Council member Yindrick was absent. The motion carried.

A special meeting of the Community Development Agency of the City of David City, Nebraska, was convened in open public session at 7:37 o'clock P.M. on March 11, 2009. Present were members Gary Smith, Nick Hein, Gary Kroesing, Mike Rogers, and Bill Scribner. Notice of the meeting was given in advance thereof by publication in The Banner Press, a designated method for giving notice, as shown by the (Affidavit of Publication) attached to these minutes. Notice of the meeting was given to all members of the Agency. Availability of the agenda was communicated in the advance notice and in the notice to the members. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

Chairperson Trowbridge declared the Public Hearing open at 7:37 p.m. with the City Council sitting as the Community Development Agency on a resolution authorizing the issuance of Tax Increment Revenue Bonds; providing the terms and provisions of said bonds; pledging revenues of the Community Development Agency pursuant to the Community Development Law; Authorizing the sale of said bonds; providing for a grant. City Administrator Johnson stated that Mike Bacon, Bacon & Vinton, Gothenburg, and Phil Lorenzen, D.A. Davidson, Omaha, helped with this project and this is the last step. The Tax Increment Financing will be used towards the Northwest Drainage Project. It is estimated at \$350,000. The public questioned if the cost will be split with the County. This will not be split with the County,

however, there was earlier progress between the city and county concerning the cleaning of ditches, culvert replacements, larger sized culverts, etc. As there were no additional comments to be made by the public, Chairperson Trowbridge declared the Public Hearing closed at 7:39 p.m.

Community Development Agency Member Hein introduced and caused to be read the resolution shown below and moved that said resolution be adopted. Member Smith seconded the motion. Voting AYE: Members Scribner, Kroesing, Rogers, Smith, and Hein. Voting NAY: None. Member Yindrick was absent. More than a majority of the governing body having voted in favor of the passage of the resolution, the same was declared adopted by the Agency's Chairperson.

RESOLUTION NO. 7 - 2009

A RESOLUTION OF THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF DAVID CITY; AUTHORIZING THE ISSUANCE OF TAX INCREMENT REVENUE BONDS; PROVIDING FOR THE TERMS AND PROVISIONS OF SAID BONDS; PLEDGING REVENUES OF THE DEVELOPMENT AGENCY PURSUANT TO THE COMMUNITY DEVELOPMENT LAW; AUTHORIZING THE SALE OF SAID BONDS; PROVIDING FOR A GRANT; AND PROVIDING FOR THIS RESOLUTION TO TAKE EFFECT.

BE IT RESOLVED this 11th day of March, 2009, by the Community Development Agency of the City of David City, ("Development Agency ") , a Community Development Agency duly organized and existing within the State of Nebraska,

W I T N E S S E T H:

WHEREAS, the Development Agency is a duly organized and existing Development Agency, a body politic and corporate under the laws of the State of Nebraska; and

WHEREAS, the Development Agency is authorized by the Act (hereinafter defined) to issue and sell its revenue bonds, notes or other obligations for the purpose of providing money to pay or otherwise provide funds to pay costs of redevelopment projects and is further authorized to pledge the revenues as herein provided to secure the payment of principal, premium, if any, and interest on its obligations; and

WHEREAS, the Development Agency has determined it to be in the best interests of the Development Agency to issue its bonds, notes or other obligations for the purpose of making funds available for the acquisition, construction and improvement of a redevelopment project to establish among other items a storm water sewer extension pursuant to a Redevelopment Plan (the "Redevelopment Plan"); and

WHEREAS, the Development Agency has made the necessary arrangements for financing a portion of the costs of the redevelopment project in part by issuing Community Development Tax Increment Revenue Bonds (Northwest Industrial Area Project), in the form of fully registered Bonds without coupons (the "Bonds" or "Series 2009A Bonds") of the Development Agency and for use of the proceeds of the Bonds in connection with the project, in amounts determined pursuant to Sections 2.01,

2.04A and 2.04B of this Resolution; and

WHEREAS, the issuance of the Bonds has been in all respects duly and validly authorized by the Members of the Development Agency pursuant to this resolution (the "Resolution"); and

WHEREAS, the Bonds are in substantially the form attached hereto as Exhibits A and B which are incorporated herein by this reference, with the necessary and appropriate variations, omissions and insertions as permitted or required by this Resolution.

NOW, THEREFORE, and it is expressly declared, that the Bonds shall be issued and delivered upon and subject to the terms, conditions, stipulations, uses and purposes as hereinafter expressed, that is to say:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Defined Terms.

Unless the context otherwise requires, the following terms shall have the following meanings for all purposes of this Bond Resolution, such definitions to be equally applicable to both the singular and plural forms and masculine, feminine and neuter gender of any of the terms defined:

"Act" means Section 12 of Article VIII of the Nebraska Constitution, Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2007, as amended, known as the Community Development Law and acts amendatory thereof and supplemental thereto.

"Authorized Issuer Representative" means the person at the time designated to act on behalf of the Development Agency by written certificate furnished to the Bondholders containing the specimen signature of such person and signed on behalf of the Development Agency by its Chair or Vice Chair. Such certificate may designate an alternate or alternates.

"Bondholder" means the holders of Bonds from time to time outstanding.

"Bonds" means the Development Agency 's Community Development Revenue Bonds (Northwest Industrial Area Project) Series A and B.

"City" means the City of David City, Nebraska.

"Closing" means the date of issuance of any Bonds.

"Collateral" means all property pledged as security for the Bondholders pursuant to Section 5.01 of this Bond Resolution.

"Debt Service Fund" means the fund created with the Paying Agent

pursuant to Section 4.01 of this Resolution.

"Governing Body" means the Members of the Development Agency .

"Paying Agent" means the paying agent with respect to the Bonds appointed pursuant to Section 10.01 of this Resolution.

"Premises" means all that certain real property situated in David City, David City County, Nebraska, more particularly described on Exhibit C attached hereto and incorporated herein by this reference, including all improvements thereon, together with all of the shrubs, trees, plants, crops, easements, rights, privileges, franchises, appurtenances, oil, gas, mineral, water and water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) , used in connection therewith, thereunto belonging or in any way appertaining and all of the estate, right, title, interest, claim or demand whatsoever of the owner therein or thereto, either in law or in equity, in possession or expectancy, now or hereafter acquired.

"Redevelopment Project Area" means all that certain real property situated in David City, David City County, Nebraska, more particularly described on Exhibit D attached hereto and incorporated herein by this reference, including all improvements thereon, together with all of the shrubs, trees, plants, crops, easements, rights, privileges, franchises, appurtenances, oil, gas, mineral, water and water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant) , used in connection therewith, thereunto belonging or in any way appertaining and all of the estate, right, title, interest, claim or demand whatsoever of the owner therein or thereto, either in law or in equity, in possession or expectancy, now or hereafter acquired.

"Project Costs" means only costs or expenses incurred by the City and Agency to acquire the Project and to install paving, sewer, water, drainage and electrical infrastructure, and engineering and professional fees related to the issuance of the bonds and for any project acquisition, preparation for development and development of future projects adopted by a Redevelopment Plan Amendment.

"Redevelopment Plan" means the Redevelopment Plan approved by the City Council on December 10, 2008, with respect to the Project, as set forth in the Redevelopment Plan and adopted in accordance with the Act, as amended from time to time.

"Registrar" means the registrar responsible for maintaining records of holders of the Bonds appointed pursuant to Section 10.01 of this Bond Resolution.

"Resolution" means this Resolution of the Development Agency adopted on March 11, 2009, authorizing the issuance and sale of the Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

"Tax Increment Revenues" means ad valorem property taxes pledged to payment of the Bonds in accordance with sections 18-2147 and 18-2150 of the Act.

Section 1.02 Provisions as to Interpretation.

The provisions of this Resolution shall be construed and interpreted in accordance with the following provisions:

(a) This Resolution shall be interpreted in accordance with and governed by the laws of the State of Nebraska.

(b) Wherever in this Resolution it is provided that any person may do or perform any act or thing the word "may" shall be deemed permissive and not mandatory and it shall be construed that such person shall have the right, but shall not be obligated, to do and perform any such act or thing.

(c) The phrase "at any time" shall be construed as meaning "at any time or from time to time."

(d) The word "including" shall be construed as meaning "including, but not limited to."

(e) The words "will" and "shall" shall each be construed as mandatory.

(f) The words "herein," "hereof," "hereunder," "hereinafter" and words of similar import shall refer to this Resolution as a whole rather than to any particular paragraph, section or subsection, unless the context specifically refers thereto.

(g) Forms of words in the singular, plural, masculine, feminine or neuter shall be construed to include the other forms as the context may require.

(h) The captions to the sections of this Resolution are for convenience only and shall not be deemed part of the text of the respective sections and shall not vary by implication or otherwise any of the provisions hereof.

Section 1.03 Exhibits.

The following Exhibits are attached to and by reference made a part of this Resolution:

- (a) Exhibit A: Form of Series A Bond.
- (b) Exhibit B: Form of Series B Bond.
- (c) Exhibit C: Description of Premises and Project.
- (d) Exhibit D: Description of property pledged for division of
Ad valorem taxes

ARTICLE II

THE BONDS

Section 2.01 Form and Maturity of Bonds.

The Bonds to be issued pursuant to this Resolution shall be issued pursuant to the Act, including specifically but without limitation Sections 18-2124 et seq., shall be dated as of the date of their issuance, and shall be issued in two or more series designated "Community Development Agency of the City of David City, Nebraska, Community Development Tax Increment Revenue Bonds (Northwest Industrial Area Project), Series _____". The Development Agency shall issue one or more Series A Bond, designated "Series [year of issuance] Bonds", and one or more series of "B" Bonds, preceded with the year of issue, such as "Series B Bonds", "Series 2009 B Bonds", and so forth. The bonds shall be substantially in the form and of the tenor as set forth in the form of the bonds attached hereto as Exhibit A (Series A Bonds) and Exhibit B (Series B Bonds) with such appropriate variations, omissions and insertions as are permitted or required by this Resolution.

The Series A Bond shall be issued in one or more series in the total principal amount of \$300,000.00, and shall be dated as of the date its issuance. The Series A Bond shall bear interest at the rate of 4% per annum from and after the date of issuance of such bonds.

Series B Bonds shall be dated as of the date of their issuance. The series B Bonds shall mature on the dates and bear interest at the rates determined pursuant to Section 2.04B of this Resolution. Series B Bonds shall mature serially, with a final maturity not later than 15 years from the effective date of a Redevelopment Plan amendment pledging the incremental ad valorem tax revenues on additional real property in the Redevelopment Project Area. Interest shall be payable on each June 1 and December 1 beginning on the first June 1 or December 1 after the issuance of the bonds and shall be computed on the basis of a 360 day year consisting of twelve 30 day months.

Principal and interest on the Bonds shall be payable in such coin and currency of the United States of America as may be, on the respective dates of the payment thereof, legal tender for the payment of public and private debts at the principal office of the Paying Agent. Principal and interest will be paid by check or draft mailed to the Bondholders in whose name a Bond is registered as of the 15th calendar day (whether or not a business day) next preceding the interest payment date at its address as it appears on the registration books of the Registrar.

The Bonds shall originally be issued as fully registered bonds without coupon. Upon the written request of a Bondholder, and at its expense, Bonds may be surrendered to the Development Agency and the Development Agency shall deliver in exchange and substitution therefore new Bonds of like tenor, aggregating the then outstanding principal amount of the Bonds.

Section 2.02 Execution. Limited Obligation.

The Bonds shall be signed in the name and on behalf of the Development Agency by the manual or facsimile signature of the Chair or Vice Chair of the Development Agency and attested with the manual or facsimile signature of its Secretary. In the event that any of the officers who shall have signed and sealed the Bonds shall cease to be officers of the Development Agency before the Bonds shall have been issued and delivered, the Bonds may, nevertheless, be issued and delivered,

and upon such issue and delivery shall be binding upon the Development Agency as though those officers who signed and sealed the same had continued to be such officers of the Development Agency. The Bonds may be signed and sealed on behalf of the Development Agency by such person who, at the actual date of execution of the Bonds, shall be the proper officer of the Development Agency, although at the date of the Bonds such person shall not have been such an officer of the Development Agency .

The Bonds shall not be a general obligation of the Development Agency , but only a limited obligation payable solely from the tax increment revenues pledged as security for the Bonds, and from any other security pledged pursuant to the Redevelopment Plan or other financing documents (except to the extent paid out of monies attributable to income from the temporary investment of the proceeds of the Bonds) and shall be a valid claim of the registered owner thereof and otherwise secured for the payment of the Bonds and shall be used for no other purpose than to pay the principal and interest on the Bonds, except as may be otherwise expressly authorized by this Bond Resolution.

Neither the Development Agency, the State of Nebraska, the City nor any other political subdivision of the State of Nebraska shall be obligated to pay the principal of the Bonds or the interest thereon or other costs incident thereto except from the money pledged therefore. Neither the faith and credit nor the taxing power (except to the extent of ad valorem taxes pledged hereunder) of the Development Agency , the City, the State of Nebraska or any political subdivision of the State of Nebraska shall be pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto. The Bonds shall never constitute an indebtedness of the Development Agency or the City within the meaning of any state constitutional provision or statutory limitation, nor shall the Bonds or the interest thereon ever give rise to any pecuniary liability of the Development Agency or the City or a charge against its general credit or taxing powers.

Section 2.03 Registration and Authentication of Bonds.

The Bonds shall not be valid or obligatory for any purpose unless the Bonds shall have been authenticated by the manual signature of the Registrar.

Section 2.04A Conditions for Delivery of Series A Bonds.

The Development Agency shall execute and deliver the Series A Bonds to the City as Bondholder or to their assigns, on such date selected by the Agency and upon the filing with the Secretary of the Development Agency the following:

- (a) A certified copy of this Bond Resolution;
- (b) A certificate of the treasurer of the City stating that the City has incurred costs for the Redevelopment Project equal to the principal of such bonds to be issued.

Section 2.04B Conditions for Delivery of Series B Bonds.

The Development Agency shall execute and deliver from time to time

Series "B" Bonds, designated by year issued, to the City as Bondholder when there shall be filed with the Secretary of the Development Agency the following:

(a) A request executed by the treasurer for the City for the issuance of Series B Bonds, specifying principal amount to be issued, maturities (no later than 15 years from the effective date of a redevelopment plan amendment pledging the ad valorem taxes pursuant to § 18-2147 of the Act as to additional real property described in the Premises), and interest rates; and

(b) A certificate of the treasurer of the City setting forth:

(i) The current assessed value of the Premises as certified by the David City County Assessor;

(ii) The current total mill levy of ad valorem taxes levied against the Premises;

(iii) A computation showing that the current levy, projected over the term of the Bonds to be issued, levied against the current assessed value, projected to remain constant over the term of the Bonds to be issued, and taking into account debt service on previously issued Series A and Series B Bonds, would produce sufficient excess Tax Increment Revenues to debt service the Bonds to be issued; and

(iv) A contract for the purchase of such bonds.

(c) Upon receipt of items specified in (a) and (b) above, additional Series B Bonds bearing the terms specified in (a) shall be issued and delivered by the Agency.

Section 2.05 Registration of Bonds.

Ownership of the Bonds shall at all times be registered as to principal and interest with the Registrar. Transfer of the Bonds may be made only by an assignment duly executed by the registered owner or by his registered assigns, or his legal representative or attorney, in such form as shall be reasonably satisfactory to the Registrar, who shall endorse such registration or transfer on the Bonds. No transfer of the Bonds shall be effective unless and until notice of such transfer shall be delivered in writing to the Registrar. The Registrar shall retain records showing all registrations, transfers and assignments of the Bonds. In the event of any such transfer, the Registrar shall require the payment by the person requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 2.06 Ownership of Bonds.

As to the Bonds and any interest thereon, the Development Agency and the Registrar, and their respective successors, each in its discretion, may deem and treat the person in whose name the Bonds for the time being shall be registered as the absolute owner thereof for all purposes, and neither the Development Agency nor the Registrar, nor their respective successors, shall be affected by any notice to the

contrary. Payment of or on account of the principal and interest on the Bonds shall be made only to or upon the order of such registered owner, but such registration may be changed as provided herein. All such payments shall be valid and effective to satisfy and discharge the liability upon the Bonds to the extent of the sum or sums so paid.

Section 2.07 Valid Obligation.

The Bonds executed, issued and delivered as in this Bond Resolution provided shall be a valid special obligation of the Development Agency .

Section 2.08 Loss or Destruction of Bonds.

In case any Bond shall become mutilated or be destroyed or lost, the Development Agency shall, if not then prohibited by law, cause to be executed and delivered a new Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and substitution for such lost Bond, upon the Bondholder paying the reasonable expenses and charges of the Development Agency in connection therewith and, in the event the Bond is destroyed or lost, the filing with the Issuer of evidence satisfactory to it that the Bond was destroyed or lost, and furnishing the Development Agency with indemnifications satisfactory to the Development Agency .

Section 2.09 Transfer of the Bonds.

All transfers of the Bonds shall be upon the basis of a private placement and each proposed transferee registered owner shall furnish the Registrar with assurances in form satisfactory to the Registrar that the such Bond is being purchased for investment purposes only, without a view to redistribution and upon the independent credit judgment and investigation of the proposed transferee.

ARTICLE III

APPLICATION OF BOND PROCEEDS

Proceeds of the Bonds shall be granted to the City and Agency to pay Project Costs pursuant to the Redevelopment Plan. The City and Agency may hold the Bonds issued pursuant to this resolution and accumulate taxes divided pursuant to §18-2147 of the Act, prior to undertaking the obligations set forth in the Redevelopment Plan.

ARTICLE IV

PAYMENT OF BONDS

Section 4.01 Debt Service Fund.

There is hereby created and established a separate fund with the Paying Agent in the name of the Development Agency to be designated "Community Development Agency of the City of David City, Nebraska, Community Development Revenue Bonds (Northwest Industrial Area Project), Debt Service Fund" into which the

Development Agency shall make the following deposits:

- (a) Accrued interest, if any, received upon sale of the Bonds.
- (b) All Tax Increment Revenues received by the Agency with respect to the Project;
- (c) All other monies received by the Development Agency when accompanied by directions that such monies are to be paid into the Debt Service Fund or used for purposes for which monies in the Debt Service Fund may be used; and
- (d) All other monies required to be deposited in the Debt Service Fund pursuant to any provision of the Redevelopment Plan or this Resolution.

Section 4.02 Pledge of Debt Service Fund.

The monies and investments in the Debt Service Fund are hereby irrevocably pledged to and shall be used by the Development Agency from time to time, to the extent required, solely for the payment of the principal of, premium, if any, and interest on the Bonds.

Section 4.03 Funds Held in Trust or Secured.

All monies deposited in the Debt Service Fund under the provisions of this Resolution or the Redevelopment Plan shall be held in trust or fully secured by pledged assets and applied only in accordance with the provisions of this Resolution and the Redevelopment Plan and shall not be subject to a lien or attachment by any creditor of the Development Agency.

Section 4.04 Application of Funds.

If at any time the monies and investments in the Debt Service Fund shall not be sufficient to pay in full the principal, premium, if any, and interest on the Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of this Bond Resolution), such funds, together with any monies then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for herein or otherwise, shall be applied as follows:

- (a) Unless the principal of all of the Bonds shall have become or shall have been declared due and payable, all such monies shall be applied in the following order:

FIRST:

To the payment of all installments of interest then due and payable on the Series A Bonds in the order in which such installments of interest became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective interests specified in the Bonds;

SECOND:

To the payment of all principal then due and payable on the Series A Bonds which shall have become due and payable and, if the amount available shall not be sufficient to pay in full the principal of the Series A Bonds due and payable, then ratably to the payment of such principal due on such date, to the persons entitled thereto, without discrimination or preference; and

THIRD:

To the payment of all installments of interest of then due and payable on the Series B Bonds in the order in which such installments of interest became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, ratably according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates in interest specified in the bonds;

FOURTH:

To the payment of all principal then due and payable on the Series B Bonds which shall have become due and payable and, if the amount available shall not be sufficient to pay in full the principal of the Series B Bonds due and payable, then ratably to the payment of such principal due on such date, to the persons entitled thereto, without discrimination or preference.

Section 4.05 Redemption of Bonds Before Maturity.

(a) The principal of the Series A Bond(s), shall become due, if not sooner redeemed, fifteen years from the effective date of the pledge of ad valorem taxes pledged for payment of such bonds pursuant to §18-2147 of the Act , provided that such principal amount shall be subject to mandatory redemption from Debt Service Fund (as described in Section 4.01, hereof) below on June 1 and December 1 of each year following the year of said effective date. All such interest upon the Bond shall be payable semiannually on June 1 and December 1 of each year, following the year of such effective date .

The Agency, however, reserves the right and option of prepaying principal of this bond, in whole or in part, from any available sources at any time at the principal amount thereof plus accrued interest to the date fixed for redemption. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this bond at said registered owner's address in the manner provided in the resolution authorizing said bond. The principal of this bond shall be subject to mandatory redemptions made in part on any interest payment date from "Available Funds" (as defined in the resolution authorizing the issuance of this bond) without any requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the resolution authorizing this bond.

The Bonds are callable for redemption at any time in whole or in part, without premium, in the event the Development Agency wishes to prepay the Bonds.

(b) The Bonds are also callable for redemption in the event the registered owner thereof has declared the entire unpaid principal amount at the time outstanding to be payable due to a Event of Default as that term is defined in this Resolution, which shall have occurred and be continuing upon the conditions, in the manner and with the effect provided in this Resolution.

(c) The Series B bonds shall also be subject to mandatory partial redemption, without notice, on each interest payment date from all funds to be available in the Debt Service Fund (as described in Section 4.01, hereof) excluding amounts needed to pay the then due or the next accruing but unpaid principal installment of the Series A bond, and excluding amounts, if any, from investment earnings for such fund which the Agency shall be entitled to apply to administrative costs related to the Bond, rounded down to the nearest one hundred dollars, after payment of all accrued but unpaid interest on each interest payment date (which funds are referred to in this resolution as "Available Funds"). Available Funds shall be applied to the prepayment of principal of the Series B bonds on each interest payment date and shall be remanded to the registered owner of the bond with interest payments. Partial mandatory redemption shall first be made on the principal on the Series B Bonds in the order in which they were issued until each Series B Bond is paid and redeemed in full. The Agent shall mark the Agent's records with respect to each mandatory partial principal prepayment made from Available Funds and it shall not be necessary for the registered owner to present the bond for notation of such prepayment. The records of the Agent shall govern as to any determination of principal amount of the bond outstanding at any time and the registered owner shall have the right to request information in writing from the agent at any time as to the principal amount outstanding upon the bonds.

Section 4.06 Redemption Date.

In the event the Bonds or any portion thereof are called for redemption or prepayment as provided in Section 4.05 of this Bond Resolution, except for partial mandatory redemption described in Section 4.05(c), notice thereof will be given by registered or certified mail to the Bondholders not less than thirty (30) days prior to the date fixed for prepayment or redemption, specifying such date, the aggregate principal amount of the Bonds to be prepaid on such date and the amount of interest on such principal amount accrued to such date. The principal amount of the Bonds so called for prepayment or redemption will cease to bear interest after the specified prepayment or redemption date provided funds for such prepayment or redemption are paid to the Bondholders at that time in cash or certified funds; but, if the Bonds have been called for payment at the option of the Development Agency and are not prepaid or redeemed as required, the unpaid principal balance shall thereafter bear interest until paid.

Section 4.07 Investment of Funds.

Monies on deposit to the credit of the Debt Service Fund shall be invested in (i) direct obligations of or obligations fully guaranteed by the United States of America or an agency or instrumentality of the United States of America, (ii) fully insured certificates of deposit or time deposits of banks or trust companies. Obligations so purchased shall be deemed at all times a part of the Debt Service Fund, respectively.

Section 4.08 Disposition of Excess Funds.

Monies on deposit in the Debt Service Fund remaining after payment of principal and interest on the Bonds in full shall immediately be paid to Development Agency and shall no longer be subject to this Resolution.

Section 4.09 Interest Payment Date.

Interest on each bond shall be payable on June first and December first of each year beginning the year following the effective date of Redevelopment Plan or Redevelopment Plan amendment as it relates to real property, subject to a division of ad valorem taxes pursuant to §18-21147 of the Act, pledged for such bond.

ARTICLE V

SECURITY FOR THE BONDS

Section 5.01 Pledge of Tax Increment Revenues as Security.

(a) In accordance with section 18-2147 of the Act, the Development Agency hereby adopts the Redevelopment Plan and approves the Project and hereby provides that any ad valorem tax on real property in the Development Project for the benefit of any public body be divided for a period of fifteen years after the effective date of this provision as provided in section 18-2147 of the Act. The effective date of this provision shall be January 1, 2009, as to the real property described on Exhibit D.

(b) In accordance with section 18-2150 of the Act, the Tax Increment Revenues are hereby pledged for payment of principal, premium, if any and interest on the Bonds. The Development Agency shall execute a notice with the City providing for such pledge of taxes and shall file a copy of such notice with the David City County Treasurer and David City County Assessor.

The Agency may pledge the incremental ad valorem taxes on additional real property in the Project Area as security for the Series A and Series B bonds, upon approval or a Redevelopment Plan amendment, approved by the City Council and the Agency.

ARTICLE VI

LEGAL AUTHORIZATION; FINDINGS

Section 6.01 Legal Authorization.

The Development Agency is a body politic and corporate under the laws of the State of Nebraska and is authorized under the Act to provide funds for the Project and construct public improvements thereon, and to issue and sell its development revenue notes such as the Bonds for the purpose, in the manner and upon the terms and conditions set forth in the Act and in this Resolution.

Section 6.02 Findings.

The Development Agency has heretofore determined, and does hereby determine, as follows:

(a) The Project financed by the Bonds is a qualified "redevelopment project" as defined the Act and has been approved as part of the Redevelopment Plan;

(b) The issuance of the Bonds and the construction of the Project will promote the public welfare and carry out the purposes of the Act, by, among other things, decreasing blighted and substandard conditions in the Redevelopment Area;

(c) The amounts necessary to acquire and construct the Project will be equal to or exceed the amount of the Bonds;

(d) The Redevelopment Plan is in full and complete compliance and conformity with all of the provisions of the Act

(e) The Redevelopment Project in the Plan would not be economically feasible without the use of tax-increment financing;

(f) The Redevelopment Project would not occur in the Community Redevelopment Area without the use of tax-increment financing; and

(g) The costs and benefits of the Redevelopment Project, including the costs and benefits to other affected political subdivisions, the economy of the community, and the demand for public and private services have been analyzed by the governing body and have been found to be in the long-term best interest of the community impacted by the Redevelopment Project.

(h) The Bonds will not constitute a debt of the Development Agency within the meaning of any constitutional or statutory limitation.

ARTICLE VII

AUTHORIZATION TO EXECUTE DOCUMENTS AND SELL BONDS

Section 7.01 Approval and Authorization of Documents.

The Redevelopment Plan in the form and content presented to the Development Agency on this date, is in all respects hereby approved, authorized and confirmed, and the Chair or Vice Chair of the Development Agency and the Secretary be and they are hereby authorized and directed to execute and deliver documents required by the Redevelopment Plan but with such changes, modifications, additions and deletions therein as shall to them seem necessary, desirable or appropriate, for and on behalf of the Development Agency .

Section 7.02 Authorization of Sale of Bonds.

The issuance and sale of the Community Development Agency of the City of David City, Nebraska, Community Development Revenue Bonds (Northwest Industrial Area Project), of the form and content set forth in Exhibits A and B attached hereto, be and the same are in all respects hereby approved, authorized and confirmed, and the Chair of the Development Agency and the Secretary be and they are hereby authorized and directed to execute and deliver the same for and on behalf of the Development Agency to the Bondholders' order, upon receipt of the purchase price therefore, and to deposit the proceeds thereon to be applied in the manner set forth in Articles III and IV hereof. The City may off set the purchase price of the Bonds against the grant provided in the Redevelopment Plan.

Section 7.03 Ratification of Actions Taken By the Development Agency.

The Development Agency hereby ratifies and approves all action taken

and expenditures made by the Development Agency , if any, in connection with the Project based upon prior resolutions of the Development Agency .

Section 7.04 Agency to Execute and Deliver Additional Documents.

The Chair and Secretary of the Development Agency and other appropriate Development Agency officials are hereby authorized to execute and deliver for and on behalf of Issuer any and all additional certificates, documents or other papers and to perform all other acts as they may deem necessary or appropriate in order to implement and carry out the matters herein authorized and the acquisition of the Project.

Section 7.05 Copies of Documents Presented to Development Agency Available for Inspection.

True and correct copies of all documents presented to the Development Agency and identified and referred to in this Resolution are on file in the main office of the Development Agency and are available for inspection by the general public during regular business hours.

ARTICLE VIII

PARTICULAR COVENANTS OF THE DEVELOPMENT AGENCY

The Development Agency covenants and agrees, so long as the Bonds shall be outstanding and subject to the limitations on its obligations herein set forth, that:

Section 8.01 First Lien.

The lien on Tax Increment Revenues created by this Resolution is a first and prior lien and the Development Agency will take no actions which would subject the Tax Increment Revenues pledged hereunder or the rights, privileges and appurtenances thereto to any lien claim of any kind whether superior, equal or inferior to such lien of this Resolution.

Section 8.02 Payment of Bonds.

It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Resolution and in the Bonds executed and delivered there under; will pay the principal, premium, if any, and interest on the Bonds on the dates, at the places and in the manner prescribed in the Bonds in any coin or currency of the United States of America which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts; provided, however, that the principal, premium, if any, and interest on the Bonds and all other covenants, undertakings, stipulations, provisions and agreements contained in this Bond Resolution, the Bonds and any other documents delivered in connection with any of the foregoing are not and shall not be deemed to (i) represent a debt or pledge the faith or credit of the Development Agency or the City or (ii) grant to the Bondholders directly, indirectly or contingently, any right to have the Development Agency or the City levy any taxes

or appropriate any funds to the payment of principal or interest on the Bonds, such payment or other obligation to be made or satisfied solely and only out of the Tax Increment Revenues and from any other security pledged pursuant to this Resolution, the Guaranty or the Deed of Trust.

Section 8.03 Extensions of Payment of Bond and Interest.

It will not directly or indirectly extend or assent to the extension of the due date of any installment of principal, premium, if any, or interest on the Bonds, or of the maturity of the Bonds or any principal installment thereof, or the time of payment of any claims for interest thereon.

Section 8.04 Agency of the Issuer.

It is duly authorized under the Constitution and laws of the State of Nebraska to provide funds to acquire, construct and install the Project, to create and issue the Bonds and to make the covenants as herein provided. All necessary action and proceedings on its part to be taken for the creation and issuance of the Bonds and the execution and delivery of this Bond Resolution and the Deed of Trust have been duly and effectively taken and the Bonds in the hands of the Bondholder is and will be a valid and enforceable special obligation of the Development Agency in accordance with its terms.

Section 8.05 Further Assurances.

The Development Agency will execute or cause to be executed any and all further instruments that may reasonably be requested by the Bondholders and be authorized by law to perfect the pledge of an lien on the revenues and income of the Project granted in this Resolution, or intended so to be, or to vest in the Bondholders the right to receive and apply the same to the payment or protection and security of the Bond, and will execute, deliver, file and record any financing statement pursuant to the Nebraska Uniform Commercial Code if such filing, registration or recording shall be necessary or convenient to effect, protect or confirm the pledge and lien granted hereby. The Development Agency shall pay all recording, filing and registration taxes and fees, together with all expenses incidental to the preparation, execution, acknowledgement, filing, registering and recording of any paper pursuant to the Nebraska Uniform Commercial Code and of any instrument of further assurance, and all stamp taxes and other taxes, duties, imposts, assessments and charges lawfully imposed upon the Bond or upon this Resolution.

Section 8.06 Proper Books and Records.

So long as the Bonds shall remain outstanding and unpaid, the Development Agency shall keep proper books and records in which full, true and correct entries will be made of all dealings and transactions relating to the ownership of the Project and the Bonds. Such books and records shall be open to inspection by the Bondholders.

Section 8.07 To Observe all Covenants and Terms - Limitations on Development Agency's Obligations.

It will not issue or permit to be issued the Bonds in any manner other than in accordance with the provisions of the Resolution, and will not suffer or permit any default to occur under this Resolution, but will faithfully observe and perform all the conditions, covenants and requirements hereof. Under the Act, the Development Agency has no obligation to levy taxes for or to make any advance or payment or to incur any expense or liability from its general funds in performing any of the conditions, covenants or requirements of the Bonds or this Resolution or to make any payments from any funds other than revenues and income of the Project or monies in the funds and accounts provided for in this Resolution.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.01 Events of Default.

The following shall be "Events of Default" under this Bond Resolution and the term "Event of Default" shall mean, whenever used in this Resolution, any one or more of the following events:

(a) If the Development Agency fails to pay any installment of principal and interest, if any, on any Bonds when the same shall become due and payable (whether at maturity, on acceleration or otherwise) and such failure shall continue for a period of seven (7) business days after written notice thereof shall have been given to the Agency by the holder of the Bonds; or

(b) If any representation or warranty made by the Development Agency in this Resolution is or was, at the time it is made, false or misleading in any material respect.

Section 9.02 Remedies.

(a) Upon the occurrence of an Event of Default, the Holders of a majority of outstanding principal amount of any series of the Bonds may declare the entire unpaid principal of and accrued interest on such series of Bonds, and including all sums advanced hereunder to be forthwith due and payable. Upon such declaration, all outstanding Bonds of all Series, including principal and all interest thereof, shall be and become immediately due and payable without presentment, demand or further notice of any kind;

(b) Upon the occurrence and continuation of an Event of Default, or in case the principal of the Bonds shall have become due and payable, whether by lapse of time or by acceleration, then and in every such case the Bondholders may proceed to protect and enforce their rights by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein, or in the Bonds, or in aid of the execution of any power herein or therein granted, or for the enforcement of any other appropriate legal or equitable remedy;

(c) Notwithstanding any provision herein or under the Redevelopment Plan or this Resolution to the contrary, all monies paid or collected with respect to the Development Agency's obligations under this Resolution or the Redevelopment Plan shall, after payment of expenses as provided in Section 9.03(a) of this Resolution, be deposited in the Debt Service Fund and shall be paid and applied as provided in Section 4.04 of this Resolution.

Section 9.03 Proceeds of Sale.

Upon any receipt of funds pursuant to enforcement of remedies hereunder, such proceeds shall be paid in the following order:

(a) All court costs, attorneys' fees, receivers' fees and receivership expenses, appraiser's fees, expenditures for documentary and expert evidence, stenographer's charges, publication costs and costs of procuring all abstracts of title, title searches and examinations, title guarantee policies, Torrens certificates and similar data with respect to title, all of which fees and expenses shall be reasonable.

(b) As provided in Section 4.04 of this Bond Resolution.

The proceeds of any sale shall be distributed and applied to the items described in (a) and (b), in the order of their listing, and any surplus of the proceeds of such sale shall be paid to City.

Section 9.04 Waiver of Event of Default; Forbearance.

The Bondholders may waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal. No forbearance by the Bondholders in the exercise of any right or remedy hereunder shall affect the ability of the Bondholders to thereafter exercise any such right or remedy.

ARTICLE X

PAYING AGENT AND REGISTRAR

Section 10.01 Appointment of Paying Agent and Registrar.

The Development Agency hereby appoints the City Treasurer of the city of David City, Nebraska, as Paying Agent and Registrar. The Paying Agent shall make all payments to Bondholders out of the Debt Service Fund as provided in Section 4.04 hereof. The Registrar shall maintain registration books of the holders of the Bonds.

Section 10.02 Reliance on Documents.

The Paying Agent and Registrar may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, note, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Section 10.03 Liability.

The Paying Agent and Registrar shall not be liable for any error of judgment made in good faith by the Paying Agent and Registrar unless it shall be proved that the Paying Agent and Registrar was negligent in ascertaining the pertinent facts.

Section 10.04 Holding Bonds.

The Paying Agent and Registrar may acquire and hold, or become the pledgee of, any of the Bonds, and otherwise deal with the Development Agency or City in the same manner and to the same extent and with like effect as though it were not Paying Agent and Registrar hereunder.

Section 10.05 Resignation.

The Paying Agent and Registrar may resign and be discharged by giving to the Development Agency and the Bondholders 30 days' notice in writing of such resignation, specifying a date when such resignation shall take effect. Such resignation shall take effect on the day specified in such notice, unless previously a successor paying agent and note registrar shall have been appointed by the Bondholders as hereinafter provided, in which event such resignation shall take effect immediately on the appointment at any time for failure to perform its obligations set forth in this Resolution by an instrument or instruments in writing, appointing a successor to the Paying Agent and Registrar so removed, filed with the Paying Agent and Registrar and executed by the Bondholders.

Section 10.06 Appointment of Successor.

In case at any time the Paying Agent and Registrar shall resign or shall be removed or otherwise shall become incapable of acting, or shall be adjudged bankruptcy or insolvent, or if a receiver of the Paying Agent and Registrar or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Paying Agent and Registrar or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Paying Agent and Registrar hereunder, and a successor shall be appointed by the holders of the Series A and B Bonds hereby secured and then outstanding by an instrument or instruments in writing filed with the Paying Agent and Registrar and executed by such Bondholders, notification thereof being given to the Development Agency and City. If no appointment of a successor Paying Agent and Registrar shall be made pursuant to the foregoing provisions of this paragraph within 30 days after vacancy shall have occurred in the office of Paying Agent and Registrar, the Development Agency shall serve as Paying Agent and Registrar until appointment of a successor.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Limitation of Rights.

With the exception of any rights herein expressly conferred, nothing

expressed or mentioned in or to be implied from this Resolution or in the Bonds is intended or shall be construed to give to any person other than the Development Agency and the Bondholders any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Development Agency and the Bondholders as herein provided.

Section 11.02 Supplemental Resolutions.

The Development Agency may, upon the request of and with the written consent of the Bondholders, pass and execute resolutions supplemental to this Resolution which shall not be inconsistent with the terms and provisions hereof.

Section 11.03 Severability.

If any provision of this Bond Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 11.04 Immunity of Officers.

No recourse for the payment of any part of the principal of or interest on the Bonds or for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of the Bonds shall be had against any officer, member or agent of the Development Agency or the State of Nebraska, as such, all such liability to be expressly released and waived as a condition of and as a part of the consideration for the issue, sale and purchase of the Bonds.

Section 11.05 Incorporation of Act.

This Resolution does hereby incorporate by reference, the same as though fully set out herein, the provisions of Section 12 of Article VIII of the Nebraska Constitution and Sections 18-2101 through 18-2154, Reissue Revised Statutes of Nebraska, 2007, as amended.

Section 11.06 Prior Resolutions.

All resolutions, or parts thereof, in conflict with the provisions of this Resolution are to the extent of such conflicts hereby repealed.

Section 11.07 Effective Date.

This Resolution shall be in full force and effect from and after its adoption as provided by law.

Section 11.08 Notices to Parties.

Any notice, demand, certificate, request, instrument or other communication authorized or required by this Resolution shall be in writing and shall be deemed to have been sufficiently given or filed for all purposes of this Resolution if and when mailed by registered mail, return receipt requested, postage prepaid, addressed as follows:

IF TO THE DEVELOPMENT AGENCY:

David City Community Development Agency
Attention: City Clerk
City Hall
557 4th Street
David City, NE 68632

IF TO THE PAYING AGENT AND REGISTRAR:

David City Treasurer
City Hall
557 4th Street
David City, NE 68632

Section 11.09 Captions.

The captions or headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Resolution.

IN WITNESS WHEREOF, the undersigned hereby certify that the Members of the Community Development Agency of the City of David City, Nebraska passed and adopted this Resolution, and caused these presents to be signed in its name and behalf by a majority of its Members and its official seal to be hereunto affixed, and to be attested by its Secretary, on the date first above written.

COMMUNITY
DEVELOPMENT AGENCY OF THE CITY
OF DAVID CITY, NEBRASKA

Chairman

ATTEST

Secretary

Exhibit A

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF DAVID CITY

TAX INCREMENT REVENUE BOND OF THE COMMUNITY
DEVELOPMENT AGENCY OF THE CITY
OF DAVID CITY, NEBRASKA
(Northwest Industrial Area Project)
SERIES 2009 A

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
\$300,000.00	4%	January 1, 2024

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Development Agency of the City of David City, Nebraska, hereby acknowledges itself to owe and for value received promises to pay, but only from the sources herein designated, to the registered owner designated on the reverse hereof, or registered assigns, the principal sum shown above in lawful money of the United States of America with such principal sum to become due on the maturity date set forth above, with interest on the unpaid balance from date of delivery hereof until maturity or earlier redemption at the rate of Three percent (4%) per annum, subject to limitation as set forth in the authorizing resolution. Said interest shall be payable semiannually on June 1 and December 1 of each year commencing on June 1, in 2010. The payment of principal and interest due upon the final maturity is payable upon presentation and surrender of this bond to the Treasurer of said Agency, as Paying Agent and Registrar for said Agency, at the offices of the Community Development Agency of the City of David City at City Hall, in David City, Nebraska. The payments of interest and of mandatory redemption of principal on each interest payment date (other than at final payment) will be paid when due by a check or draft mailed by said Paying Agent and Registrar to the registered owner of this bond, as shown on the books or record maintained by the Paying Agent and Registrar, at the close of business on the last business day of the calendar month immediately preceding the calendar month in which the interest payment date occurs, to such owner's address as shown on such books and records. Any payment of interest or mandatory redemption of principal not timely paid when due shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the registered owner of this bond on such special record date for payment of such defaulted interest or redemption price as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

The Agency, however, reserves the right and option of prepaying principal of this bond, in whole or in part, from any available sources at any time at the principal amount thereof plus accrued interest to the date fixed for redemption. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this bond at said registered owner's address in the manner provided in the resolution authorizing said bond. The principal of this bond shall be subject to mandatory redemptions made in part on any interest payment date from "Available Funds" (as defined in the resolution authorizing the issuance of this bond) without any requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the resolution authorizing this bond.

This bond is one of a series of issued by the Agency under Section 2.01 of the Resolution authorizing such issuance passed March 11, 2009, for the purpose of paying the costs of redevelopment of certain real estate located in the City of David City, as designated in that redevelopment plan recommended by the Agency and approved by the Mayor and Council of the City of David City, Nebraska, on December 10, 2008, (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2007, as amended, and has been duly authorized by resolution passed and approved by the Chair and members of the Agency (the "Resolution").

This bond constitutes a limited obligation of the Agency payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision 1(b) of Section 18-2147, R.R.S. Neb. 2007, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" (as defined in the Resolution). Pursuant to the Resolution and Section 18-2150, R.R.S. Neb. 2007, said portion of taxes has been pledged for the payment of this bond, both principal and interest as the same fall due or become subject to mandatory redemption. This bond shall not constitute a general obligation of the Agency and the Agency shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. This bond shall not constitute an obligation of the State of Nebraska or of the City or David City (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007) and neither the State or Nebraska nor the City of David City shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007). Neither the members of the Agency's governing body nor any person executing this bond shall be liable personally on this bond by reason of the issuance hereof. The resolution authorizing said issue designates the terms upon which additional bonds payable from said taxes may be issued in the future.

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this bond for notation of transfer as provided on the reverse hereof and subject to the conditions provided for in the resolution authorizing the issuance of this bond. The Agency, the Paying Agent and Registrar and any other person may treat the person whose name this bond is registered as the absolute owner hereof for the purposes of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

THIS BOND, UNDER CERTAIN TERMS SET FORTH IN THE RESOLUTION AUTHORIZING ITS ISSUANCE, MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS SET FORTH IN SAID RESOLUTION.

If the day for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of David City, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and

things required by law to exist or to be done precedent to and in the issuance of this bond, did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said Agency, including this bond, does not exceed any limitation imposed by law.

IN WITNESS WHEREOF, the Chair and members of the Community Development Agency of the City of David City have caused this bond to be executed on behalf of said Agency by being signed by the Chair and Secretary and by causing the official seal of said Agency to be affixed hereto, all as of the date of issue shown above.

Delivered this ____ day of March, 2009.

(SEAL)

COMMUNITY DEVELOPMENT
 AGENCY OF THE CITY OF
 DAVID CITY, NEBRASKA

By: ____ (do not sign)____
 Chairman

ATTEST:

 Secretary

PROVISION FOR REGISTRATION

The ownership of this Bond shall be registered as to both principal and interest on the books and records of the Community Development Agency of the City of David City, Nebraska, kept by the Paying Agent and Registrar identified in the foregoing bond, who shall make notation of such registration in the registration blank below, and the transfer of this Bond may thereafter be registered only upon an assignment duly executed by the registered owner or such owner's attorney or legal representative, in such form as shall be satisfactory to said Paying Agent and Registrar, such registration of transfer to be made on such books and endorsed hereon by said Paying Agent and Registrar

Date of Registration Agent	Name of Registered Owner	Signature of Paying and Registrar

Exhibit B

UNITED STATES OF AMERICA
STATE OF NEBRASKA
COUNTY OF DAVID CITY

TAX INCREMENT REVENUE BOND OF THE COMMUNITY
DEVELOPMENT AGENCY OF THE CITY
OF DAVID CITY, NEBRASKA
(Northwest Industrial Area Project)
SERIES 2009 A

<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Final Maturity Date</u>
[\$[to be determined under Section 2.04B of the Resolution dated January 30, 2009]		December 31, 20__

KNOW ALL PERSONS BY THESE PRESENTS: That the Community Development Agency of the City of David City, Nebraska, hereby acknowledges itself to owe and for value received promises to pay, but only from the sources herein designated, to the registered owner designated on the reverse hereof, or registered assigns, the principal sum shown above in lawful money of the United States of America with such principal sum to become due on the maturity date set forth above, with interest on the unpaid balance from date of delivery hereof until maturity or earlier redemption at the rate of [insert rate] percent ([insert rate]%) per annum, subject to limitation as set forth in the authorizing resolution. Said interest shall be payable semiannually on June 1 and December 1 of each year commencing on June 1, in the year after the date of issuance. The payment of principal and interest due upon the final maturity is payable upon presentation and surrender of this bond to the Treasurer of said Agency, as Paying Agent and Registrar for said Agency, at the offices of the Community Development Agency of the City of David City at City Hall, in David City, Nebraska. The payments of interest and of mandatory redemption of principal on each interest payment date (other than at final payment) will be paid when due by a check or draft mailed by said Paying Agent and Registrar to the registered owner of this bond, as shown on the books or record maintained by the Paying Agent and Registrar, at the close of business on the last business day of the calendar month immediately preceding the calendar month in which the interest payment date occurs, to such owner's address as shown on such books and records. Any payment of interest or mandatory redemption of principal not timely paid when due shall cease to be payable to the person entitled thereto as of the Record Date such interest was payable, and shall be payable to the person who is the registered owner of this bond on such special record date for payment of such defaulted interest or redemption price as shall be fixed by the Paying Agent and Registrar whenever monies for such purpose become available.

The Agency, however, reserves the right and option of prepaying principal of this bond, in whole or in part, from any available sources at any time at the principal amount thereof plus accrued interest to the date fixed for redemption. Notice of any such optional prepayment shall be given by mail, sent to the registered owner of this bond at said registered owner's address in the manner provided in the resolution authorizing said bond. The principal of this bond shall be subject to mandatory redemptions made in part on any interest payment date from "Available Funds" (as defined in the resolution authorizing the issuance of this bond) without any

requirement for notice. Such optional and mandatory prepayments shall be made upon such terms and conditions as are provided for in the resolution authorizing this bond.

This bond is one of a series of issued by the Agency under Section 2.04B of the Resolution authorizing such issuance passed [insert date], for the purpose of paying the costs of redevelopment of certain real estate located in the City of David City, as designated in that redevelopment plan recommended by the Agency and approved by the Mayor and Council of the City of David City, Nebraska, on February ____ 2009 (the "Plan"), all in compliance with Article 21 of Chapter 18, Reissue Revised Statutes of Nebraska, 2007, as amended, and has been duly authorized by resolution passed and approved by the Chair and members of the Agency (the "Resolution").

This bond constitutes a limited obligation of the Agency payable exclusively from that portion of the ad valorem real estate taxes mentioned in subdivision 1(b) of Section 18-2147, R.R.S. Neb. 2007, as levied, collected and apportioned from year to year with respect to certain real estate located within the "Project" (as defined in the Resolution). Pursuant to the Resolution and Section 18-2150, R.R.S. Neb. 2007, said portion of taxes has been pledged for the payment of this bond, both principal and interest as the same fall due or become subject to mandatory redemption. This bond shall not constitute a general obligation of the Agency and the Agency shall be liable for the payment thereof only out of said portion of taxes as described in this paragraph. This bond shall not constitute an obligation of the State of Nebraska or of the City or David City (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007) and neither the State or Nebraska nor the City of David City shall be liable for the payment thereof from any fund or source including but not limited to tax monies belonging to either thereof (except for such receipts as have been pledged pursuant to Section 18-2150 R.R.S. Neb. 2007). Neither the members of the Agency's governing body nor any person executing this bond shall be liable personally on this bond by reason of the issuance hereof. The resolution authorizing said issue designates the terms upon which additional bonds payable from said taxes may be issued in the future.

This bond is transferable by the registered owner or such owner's attorney duly authorized in writing at the office of the Paying Agent and Registrar upon surrender of this bond for notation of transfer as provided on the reverse hereof and subject to the conditions provided for in the resolution authorizing the issuance of this bond. The Agency, the Paying Agent and Registrar and any other person may treat the person whose name this bond is registered as the absolute owner hereof for the purposes of receiving payment due hereunder and for all purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

THIS BOND, UNDER CERTAIN TERMS SET FORTH IN THE RESOLUTION AUTHORIZING ITS ISSUANCE, MAY ONLY BE TRANSFERRED TO PERSONS OR ENTITIES DELIVERING AN INVESTMENT LETTER TO THE PAYING AGENT AND REGISTRAR CONFORMING TO REQUIREMENTS SET FORTH IN SAID RESOLUTION.

If the day for payment of the principal of or interest on this bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of David City, Nebraska, are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such

banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

IT IS HEREBY CERTIFIED AND WARRANTED that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this bond, did exist, did happen and were done and performed in regular and due form and time as required by law and that the indebtedness of said Agency, including this bond, does not exceed any limitation imposed by law.

IN WITNESS WHEREOF, the Chair and members of the Community Development Agency of the City of David City have caused this bond to be executed on behalf of said Agency by being signed by the Chair and Secretary and by causing the official seal of said Agency to be affixed hereto, all as of the date of issue shown above.

Delivered this [date of issuance].

(SEAL)

COMMUNITY DEVELOPMENT
 AGENCY OF THE CITY OF
 DAVID CITY, NEBRASKA

By: _____(do not sign _____
 Chairman

ATTEST:

 Secretary

PROVISION FOR REGISTRATION

The ownership of this Bond shall be registered as to both principal and interest on the books and records of the Community Development Agency of the City of David City, Nebraska, kept by the Paying Agent and Registrar identified in the foregoing bond, who shall make notation of such registration in the registration blank below, and the transfer of this Bond may thereafter be registered only upon an assignment duly executed by the registered owner or such owner's attorney or legal representative, in such form as shall be satisfactory to said Paying Agent and Registrar, such registration of transfer to be made on such books and endorsed hereon by said Paying Agent and Registrar

Date of Registration Agent	Name of Registered Owner	Signature of Paying Agent and Registrar

Exhibit C

Description of Premises and Project

The Project Area includes the following properties:

- DAVID CITY 18 15 3 PT OF LOT 8 ANNEX
- DAVID CITY PT OF LOT 8 IN S1/2SE14 .40 AC LAND & LOT SUB DIV ADD (ANNEX)
- DAVID CITY 18 15 3 PT OF LOT 8 IN S1/2SE1/4 4.65 AC ANNEX
- DAVID CITY 18 15 3 PT OF LOT 8 (IN S1/2SE1/4) 1.18 AC
- DAVID CITY 18 15 3 PT NE1/4SW1/4 ANNEXED 1.75 AC
- DAVID CITY LOT 1 BLK 2 SCHMIDS ADD
- DAVID CITY LOTS 7 & 8 & N 22.6' OF LOT 6 BLK 2 SCHMIDS ADD
- DAVID CITY LOT 2 BLK 2 SCHMIDS ADD
- DAVID CITY LOT 3 BLK 2 SCHMIDS ADD
- DAVID CITY S 103' OF LOT 6 BLK 2 SCHMIDS ADD
- DAVID CITY LOT 4 (137.86' X 200'), N 20' OF E 200' OF OL A & LOT 5 BLK 2 SCHMIDS ADD
- DAVID CITY OL A OF 1993 REPLAT OF LOTS 1-5 (LESS N 20' OF THE E 200') BLK 3 SCHMIDS ADD
- DAVID CITY 18 15 3 LOT 7 BLK 3 SCHMIDS ADD
- DAVID CITY LOT 8 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD
- DAVID CITY LOTS 3-6 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD
- DAVID CITY LOTS 2 & 3 SYPALS SUBDIV
- DAVID CITY PT LOT 4 SYPALS SUBDIV
- DAVID CITY PT OF LOT 4 SYPALS SUBDIV
- DAVID CITY LOT 1 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD AND TRACT IN PT SE1/2SW1/4
- DAVID CITY LOT 1 SYPALS SUBDIV
- DAVID CITY 18 15 3 PT SE1/4SW1/4 SCHMIDS ADD
- DAVID CITY 18 15 3 PT LOT 2 BLK 1 PT SE1/4SW1/4 SCHMIDS ADD
- DAVID CITY 18 15 3 PT SE1/4SW1/4 SCHIMIDS ADD
- A tract of land located in the E ½ of the SW ¼ of Section 18 T15N R3E of the 6th P.M., Butler County, Nebraska, described as follows: Beginning at the northwest corner of the E ½ of said SW ¼ ; thence easterly, 979.92 feet, on the north line of said SW ¼ ; thence southerly, 657.35 feet, parallel with the westerly right-of-way line of Nebraska Highway No. 15, to a point on the north line of Schmid's Addition of David City; thence westerly, 330 feet, more or less, on the north line of said Schmid's Addition, to a point on the northerly extension of the east line of Block 1 of said Schmid's Addition; thence southerly, 866.27 feet, to the southeast corner of the north 70 of Lot 8 of said Block 1; thence westerly, 393.54 feet, parallel with the west line of said Block 1, to a point on the north line of said Schmid's Addition; thence westerly, 254 feet, to the southwest corner of the N ½ of the NE ¼ of said SW ¼ ; thence

northerly, 658.98 feet, to the Point of Beginning, containing 22.64 acres, more or less.

- All of Lots 1, 3, 4, 5, 6, and 7; the south 73 feet of Lot 8; the west 254 feet of the north 70 feet of Lot 8; the west 254 feet of Lots 9, 10, 11, 12, and 13; and that portion of vacated S Street lying north of and adjacent to Lot 13; all in Block 1, Schmid's Addition to David City, Butler County, Nebraska, containing 16.70 acres, more or less.

Exhibit D

Real Estate subject to division of Ad Valorem Taxes

The properties that TIF will be captured on are:

- A tract of land located in the E ½ of the SW ¼ of Section 18 T15N R3E of the 6th P.M., Butler County, Nebraska, described as follows: Beginning at the northwest corner of the E ½ of said SW ¼ ; thence easterly, 979.92 feet, on the north line of said SW ¼ ; thence southerly, 657.35 feet, parallel with the westerly right-of-way line of Nebraska Highway No. 15, to a point on the north line of Schmid's Addition of David City; thence westerly, 330 feet, more or less, on the north line of said Schmid's Addition, to a point on the northerly extension of the east line of Block 1 of said Schmid's Addition; thence southerly, 866.27 feet, to the southeast corner of the north 70 of Lot 8 of said Block 1; thence westerly, 393.54 feet, parallel with the west line of said Block 1, to a point on the north line of said Schmid's Addition; thence westerly, 254 feet, to the southwest corner of the N ½ of the NE ¼ of said SW ¼ ; thence northerly, 658.98 feet, to the Point of Beginning, containing 22.64 acres, more or less.
- All of Lots 1, 3, 4, 5, 6, and 7; the south 73 feet of Lot 8; the west 254 feet of the north 70 feet of Lot 8; the west 254 feet of Lots 9, 10, 11, 12, and 13; and that portion of vacated S Street lying north of and adjacent to Lot 13; all in Block 1, Schmid's Addition to David City, Butler County, Nebraska, containing 16.70 acres, more or less.
- DAVID CITY S 103' OF LOT 6 BLK 2 SCHMIDS ADD
- DAVID CITY LOT 8 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD
- DAVID CITY LOTS 3-6 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD
- DAVID CITY 18 15 3 PT OF LOT 8 IN S1/2SE1/4 4.65 AC ANNEX
- DAVID CITY 18 15 3 PT OF LOT 8 ANNEX

I, the undersigned Secretary for the Community Development Agency of the City David City, Nebraska, hereby certify that the foregoing is a true and correct copy of the proceedings had and done by the body of said Agency on March 11, 2009; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and readily available for public inspection at the office of the Agency; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members or

the public; that the said minutes from which the foregoing proceedings have been extracted were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body: that all news media requesting notification concerning meetings of said body were provided advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Secretary

OFFER TO PURCHASE
AND INVESTMENT LETTER

\$300,000.00

TAX INCREMENT REVENUE BOND OF THE
COMMUNITY DEVELOPMENT AGENCY OF
THE CITY OF DAVID CITY, NEBRASKA
Northwest Industrial Area Project
SERIES 2009 A

March 11 2009

Community Development Agency
of the City of David City, Nebraska
David City, NE 68787

Ladies and Gentlemen:

The undersigned (the "Purchaser"), hereby offers to purchase at a price of 100% of the aggregate principal amount of \$300,000.00 of Community Development Agency of the City of David City, Nebraska, Community Development Revenue Bond (Northwest Industrial Area Project), Series 2009 A (the "Bond"), as an off set against the grant of funds set forth in the Redevelopment Plan, finally maturing on January 1, 2024, and bearing interest at the rate of 4% per annum from the date set forth in the bond.

In connection with the issuance and purchase of the Bond, the undersigned hereby makes the following representations, upon which you may rely:

1. The undersigned acknowledge and represent that they have been advised that the Bond is not registered under the Securities Act of 1933, as amended (the "1933 Act"). The Purchaser therefore realizes that no trading market now exists for the Bond. The Purchaser also understands that transfer of the Bond is restricted pursuant to other sections of this Offer to Purchase. Accordingly, the Purchaser understands that they may need to bear the risks of this investment for an indefinite time, since any sale prior to the maturity of the Bond may not be possible or may be at a price below that which the Purchaser is paying for the Bond.
2. The undersigned has been offered copies of or full access to all documents relating to the Bond and all records, reports, financial statements and other information concerning the Agency, and pertinent to the source of payment for the Bond to which a reasonable investor would attach significance in making investment decisions.

3. The undersigned is sufficiently knowledgeable and experienced in financial and business matters, to be able to evaluate the risks and merits of the investment represented by the purchase of the Bond, and is aware of the intended use of the proceeds of the Bond and the risks involved therein.

4. The undersigned understand that the Bond is not secured by any obligation or pledge of any monies received or to be received from taxation or from the State of Nebraska or any political subdivision or taxing Agency thereof, except incremental property taxes payable to the Community Development Agency of the City of David City, Nebraska ("the Agency") as provided in the Resolution authorizing the issuance of the Bond and that neither the Bond nor the Redevelopment Plan signed by the Agency and the Developer will ever represent or constitute a general obligation, debt, bonded indebtedness or pecuniary obligation of the Agency, the City of David City, the State of Nebraska or any political subdivision thereof, and that no right will exist to have taxes levied by the Agency, the City of David City, the State of Nebraska or any political subdivision thereof for the payment of principal of or interest on the Bond.

5. The undersigned understand that the Bond is a limited obligation of the Community Development Agency of the City of David City, Nebraska, payable solely from the incremental ad valorem tax revenues arising from a redevelopment project (Northwest Industrial Area Project) described in the Resolution authorizing the issuance of the Bond and the Redevelopment Plan.

6. The undersigned understand that the incremental ad valorem tax revenues arising from the redevelopment project are subject to substantial reduction or elimination by reason of (a) changes from year to year in the tax levy by various taxing entities; (b) valuation changes from year to year in property subject to tax levy, including valuation changes to the project or portions of the project; (c) statutory or constitutional changes in the tax year or the time of payment of ad valorem taxes; (d) a change in the method of taxation by reason of statutory or state constitutional changes modifying or eliminating ad valorem taxation; and (e) failure of the project to result in the completion of assessable improvements either in a timely manner or with sufficient increased assessable value to pay the interest and principal of the Bond.

6. The Bond is being acquired by the Purchaser for investment and not with a view to or for resale in connection with distribution of the Bond. The undersigned intend to hold the Bond for their own account and for an indefinite period of time and do not intend at this time to dispose of all or any portion of the Bond and understand transfer is restricted.

7. The undersigned will not offer, sell or otherwise dispose of all or any part of or interest in the Bond, except (a) in full good faith compliance with all securities registration, broker-dealer, antifraud and other provisions of applicable state and federal laws, (b) with full and accurate disclosure of all material facts to the prospective purchaser(s) or transferee(s), (c) either under effective federal and state registration statements which the Agency shall not in any way be obligated to provide or pursuant to exemptions from such registrations; and (d) such purchaser agrees to sign an investment letter in form satisfactory to Agency.

8. The undersigned has been informed by the Agency and agree that (a) stop transfer

notations may be made on the Agency's transfer records, and (b) a legend may be placed on the Bond or any other documents evidencing ownership of the bond to the effect that the Bond has not been registered under the securities Act of 1933 or the applicable state "Blue Sky" laws and that the Bond may not be disposed of unless it are registered thereunder or are resold or otherwise disposed of pursuant to an exemption from such registration.

9. The undersigned understand that all interest on the Bond is fully taxable for state and federal purposes.

10. The undersigned have been furnished a copy of the executed Resolution authorizing the issuance of the Bond, together with a copy of the executed Redevelopment Plan for the Northwest Industrial Area Project and all other documents that the undersigned, and their counsel deem appropriate prior to making this investment.

It is understood that the Purchaser has undertaken to verify the accuracy, completeness and truth of any statements made or omitted to be made concerning any of the material facts relating to this transaction, including information regarding the business and financial condition of the Agency, the Developers and the Redevelopment Project. The Purchaser has conducted their own investigation to the extent they deem necessary. The Purchaser has been offered an opportunity to have made available to them any and all such information they might request from the Agency and the Developers.

On this basis, it is agreed by the execution of this letter that the Purchaser hereto is not relying on any party or person, including but not limited to the City of David City, the Community Development Agency of the City of David City or their members, elected officials, clerks, employees, engineers, attorneys, special counsel and special bond counsel, to undertake the furnishing or verification of information relating to this transaction, the Redevelopment Project, or the financial condition of the Developer, the City of David City or the Community Development Agency of the City of David City.

Yours truly,

City of David City

Mayor

ACCEPTED: March 11, 2009.
Community Development Agency
Of the City of David City

Chair

RECEIPT OF TREASURER

The undersigned City Treasurer of the City of David City, Nebraska, as Treasurer of the Community Development Agency of the City of David City, Nebraska, hereby certifies that she has received proceeds of the Agency's Community Redevelopment Revenue Bonds (Northwest Industrial Area Project) Series 200911 Series A in the amount of \$300,000.00, and has applied such proceeds as provided in the Resolution of the Agency dated March 11, 2009, authorizing issuance of the Bonds.

Dated: March 11, 2009.

David City City Treasurer

RECEIPT OF GRANT

The undersigned City of David City, Nebraska, hereby certifies that she has received payment of a grant from the Community Development Agency of the City of David City, Nebraska, in the amount of \$300,000.00, as an off set to the purchase price of the Bonds representing proceeds of the Agency's Community Redevelopment Revenue Bonds (Northwest Industrial Area Project) Series 2009 A pursuant to the Redevelopment Plan between the undersigned and the Agency.

Dated: March 11, 2009

City of David City

City Treasurer

RECEIPT OF BOND

Comes now the City of David City and hereby acknowledges receipt of the original Tax Increment Revenue bond of the Community Development Agency of the City of David City, Nebraska, (Northwest Industrial Area Project) Series 2009 A in the original principal amount of \$300,000.00, issued March 11, 2009.

Dated, March 11, 2009

City of David City

City Treasurer

Community Development Agency member Kroesing made a motion to authorize Mayor Trowbridge to execute the "Notice to Divide Tax for the Community Redevelopment Project. Member Hein seconded the motion. Voting AYE: Members Rogers, Scribner, Smith, Hein, and Kroesing. Voting NAY: None. Member Yindrick was absent. The motion carried.

TO BE FILED WITH
 THE ASSESSOR ON
 OR BEFORE
 AUGUST 1

Notice to Divide Tax for Community Redevelopment Project

Tax Increment Financing Project (TIF)

To be filed on or before August 1 in the calendar year that the division of the real property tax is to become effective

This section to be completed by the City or Community Redevelopment Authority (CRA)

County Name County of Butler County, Nebraska

City Name where TIF project is located City of David City, Nebraska

Name of TIF Project Northwest Drainage Project

Provide a brief description of the TIF project: T.I.F. capture to install storm sewer for area wide benefit.

Calendar year that the division of real property tax is to become effective	Base Value Year (year that the calendar year that the division of real property tax is to become effective)
2009	2008

Specify the legal description(s) and street addresses of real property parcels to be included in the TIF project (or attach list) and/or provide location and boundaries of the property in the redevelopment area (or attach a map):

See attached Exhibit "A"

I, the undersigned, hereby state that I am the authorized representative of the Community Redevelopment Authority (CRA) and that I have provided the required information to the assessor on or before August 1 in the calendar year that the division of real property tax is to become effective.

sign
 here

Authorized Signature Mayor Title Mayor

This section to be completed by the Assessor

The assessor shall readily and complete the redevelopment project valuation or "base value" for the parcels of real property located within the TIF project specified above. For example, if the calendar year for dividing the real property tax is 2007, the base value shall mean the assessed value of the taxable real property last certified to the public subdivisions in the year prior to the effective date of the provision authorizing the dividing of the tax, i.e., 2006. When there is a redevelopment project value on a parcel or parcels, the assessor shall determine the redevelopment project valuation based on the fair market value of the parcel or parcels as of January 1 of the year prior to the year that the property taxes are to be divided, pursuant to Neb. Rev. Stat. § 78-2147(1)(a).

Amount of Real Property Base Value Determined for the TIF Project specified in this notice: \$

Assessor's Signature _____ Title _____

Reference by Section 78-2147

Revised Department of Public Administration 6/12/07
 Form No. W-012-2007

Distribution of Completed Notice: Original Assessor, 1 copy each to County Treasurer, City/CRA, and the Dept. of Public Administration, 5 Taxation

Exhibit "A"

The properties that TIF will be captured on are:

- A tract of land located in the E ½ of the SW ¼ of Section 18 T15N R3E of the 6th P.M., Butler County, Nebraska, described as follows: Beginning at the northwest corner of the E ½ of said SW ¼; thence easterly, 979.92 feet, on the north line of said SW ¼; thence southerly, 657.35 feet, parallel with the westerly right-of-way line of Nebraska Highway No. 15, to a point on the north line of Schmid's Addition of David City; thence westerly, 330 feet, more or less, on the north line of said Schmid's Addition, to a point on the northerly extension of the east line of Block 1 of said Schmid's Addition; thence southerly, 866.27 feet, to the southeast corner of the north 70 of Lot 8 of said Block 1; thence westerly, 393.54 feet, parallel with the west line of said Block 1, to a point on the north line of said Schmid's Addition; thence westerly, 254 feet, to the southwest corner of the N ½ of the NE ¼ of said SW ¼; thence northerly, 858.98 feet, to the Point of Beginning, containing 22.64 acres, more or less.
- All of Lots 1, 3, 4, 5, 6, and 7; the south 73 feet of Lot 8; the west 254 feet of the north 70 feet of Lot 8; the west 254 feet of Lots 9, 10, 11, 12, and 13, and that portion of vacated S Street lying north of and adjacent to Lot 13; all in Block 1, Schmid's Addition to David City, Butler County, Nebraska, containing 16.70 acres, more or less.
- DAVID CITY S 103' OF LOT 8 BLK 2 SCHMIDS ADD
- DAVID CITY LOT 8 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD
- DAVID CITY LOTS 3-6 IN 1993 REPLAT OF LOTS 1-5 BLK 3 SCHMIDS ADD
- DAVID CITY 18 15 3 PT OF LOT 8 IN S1/2SE1/4 4.65 AC ANNEX
- DAVID CITY 18 15 3 PT OF LOT 8 ANNEX

Member Smith made a motion to close the Community Development Agency meeting and to reconvene the March 11th Council meeting that was in recess. Member Hein seconded the motion. Voting AYE: Members Scribner, Rogers, Kroesing, Hein, and Smith. Voting NAY: None. Member Bill Yindrick was absent. The motion carried.

Ordinance No. 1101, amending Chapter 8, Article 3, of the Municipal Code Book, providing for rules and requirements for the sale of goods and services on the public right of way, was introduced and passed on first reading on January 14, 2009, and on second reading on February 11, 2009. Council member Smith made a motion to pass Ordinance No. 1101 on the third and final reading. Council member Hein seconded the motion. Discussion followed in which Council member Smith asked "What are the problems with passing this?" Council member Kroesing stated that for 32 years he has driven from his house, 314 N 13th Street, to work at Butler Public Power, 1331 4th Street, and he has never once seen a problem with clutter on the public right-of-way; why have laws when there is really no problem? Council member

Scribner stated that a numerous amount of his constituents were against this. Janis Cameron said that one day a boat with a trailer hitch sticking out towards the highway was parked by the Court House and it looked tacky. Willow Holoubek stated that just because she and Gary Kroesing haven't seen it doesn't mean it doesn't happen, and then you need to pass a law to prevent it from occurring. Carolyn Yates stated that at a previous meeting Chief Sunday stated that you have to have a law to enforce the issue; she was convinced by Chief Sunday's argument. City Administrator Johnson stated that Runza has complained about junk vehicles being located along the highway south of their business. Joe said he could only say "Sorry, I can't do anything about it." Voting AYE: Council members Hein, and Smith. Voting NAY: Council members Scribner, Kroesing, and Rogers. The motion failed.

ORDINANCE NO. 1101

AN ORDINANCE AMENDING CHAPTER 8, ARTICLE 3 OF THE CITY OF DAVID CITY, NEBRASKA, MUNICIPAL CODE BOOK PROVIDING FOR RULES AND REGULATIONS FOR THE SALE OF GOODS AND/OR SERVICES ON THE PUBLIC RIGHT-OF-WAY; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR PUBLICATION OF THE ORDINANCE IN PAMPHLET FORM.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

SECTION 1. Chapter 8, Article 3 of the David City Municipal Code Book be amended to add the following section:

§8-318 STREETS; SALE OF GOODS AND/OR SERVICES WITHIN THE RIGHT-OF-WAY

- (A) Within a commercial, industrial or flex space zoned area, as determined by the Official Zoning Map of the City, it shall be unlawful for any individual or groups of individuals to engage in the sale of automobiles, or to park any vehicle displaying a "For Sale" sign, or other evidence of the vehicle's availability for sale, on any public right-of-way, unless such vehicle is legally parked upon a public right-of-way immediately adjoining or abutting the owner's place of residence, owner's place of employment (during working hours) and/or while the owner is conducting commerce.
- (B) Within a commercial, industrial or flex spaced zoned area, as determined by the Official Zoning Map of the City, it shall be unlawful for any individual or groups of individuals to display items for retail sale or wholesale sales upon any street, alley, sidewalk or parkway.
- (C) Within a commercial, industrial or flex space zoned area, as determined by the Official Zoning Map of the City, any person or business entity regularly engaged in retail sale and/or wholesale sales may locate goods immediately adjoining or abutting the business property upon any street, alley, sidewalk or parkway for the purpose of displaying it for sale.
- (D) Within a residential zoned area, as determined by the Official Zoning Map of the City, it shall be unlawful for any individual or groups of individuals to display items for retail sale or wholesale sales upon any street, alley, sidewalk,

parkway or right-of-way. The only exception to this section is for the sale of vehicles on the portion of driveway or defined parking area immediately abutting a street, alley, sidewalk or parkway and that all vehicle(s) being sold in such manner shall have the property owner's name on the title and shall not be located on or above a street, alley, curb, gutter, parkway and/or sidewalk.

(E) A posted warning shall be given for any violation of this section when first observed.

(F) A fine of \$50.00 shall be given for any violation of this section lasting longer than twelve (12) hours and/or when prior posted warning has been issued for the same violation and/or a similar violation.

(G) If the violation continues past the first twenty-four (24) hours, the item(s) in violation shall be removed at the owner's expense. The owner or other person lawfully entitled to the possession of such item(s) shall be charged with the reasonable cost for such removal and storage, payable before such item(s) are released. This fee shall be in addition to any other fees or penalties owed the Municipality for such item(s).

SECTION 2. That any ordinance or section of any ordinance passed and approved prior to or subsequent to the passage, approval, and publication or posting of this ordinance and in conflict with its provisions, is hereby appealed.

SECTION 3. This ordinance shall be published in pamphlet form and shall take effect and be in full force from and after its passage, approval, and publication or posting as required by law.

PASSED AND APPROVED this _____ day of _____, 2009.

Failed

Mayor Dana Trowbridge

ATTEST

Failed

City Clerk Joan E. Kovar

Council member Scribner made a motion to amend the City of David City CDBG Housing Reuse Program Application by including a Monthly Obligations Section. Council member Rogers seconded the motion. Voting AYE: Council members Smith, Kroesing, Hein, Rogers, and Scribner. Voting NAY: None. Council member Yindrick was absent. The motion carried.

**CITY OF DAVID CITY
CDBG HOUSING REUSE PROGRAM**

City Hall
557 4th Street
David City, NE 68632

(402) 367-3135

AGREEMENT

To Whom It May Concern:

This is to certify that the undersigned has given permission to the City of David City's Housing Board to request and receive information required to verify employment, mortgages, and other liens, deed, trust accounts, savings accounts, credit accounts, financial status, and any other information necessary to complete the undersigned's application for a loan from the CDBG Program.

The undersigned hereby applies for a loan from the City of David City CDBG Housing Program. The undersigned agrees to comply with all provisions of the CDBG Program. The undersigned represents that all statements made in the Homebuyer Down payment Assistance and/or Rehabilitation Application are true and correct, and are made for the purpose of obtaining a CDBG loan. The undersigned further agrees that the David City Housing Board may verify information from any source named in the application.

I undersigned fully understand that it is a federal, state and local crime, punishable by fine or imprisonment or both, to knowingly make false statements concerning any of the facts in the application.

CERTIFICATION:

I/We certify that all information contained in this application is true and complete to the best of my/our knowledge and belief. It is understood and agreed that this information is given for the purpose of obtaining financial assistance through the City of David City' CDBG Reuse funds, and will be used for no other purpose.

Signature: _____ Date: _____

Signature: _____ Date: _____

**CITY OF DAVID CITY
CDBG HOUSING REUSE PROGRAM**

City Hall
557 4th Street
David City, NE 68632
(402) 367-3135

GENERAL RELEASE OF INFORMATION

To Whom It May Concern:

I/we hereby authorize you to release to the City of David City the following information:

1. Previous and past employment history, including employer, period employed, title of position, income and hours worked.

2. Income from all sources, including, but not limited to, wages, unemployment benefits, pension benefits, interest income, income from rental properties, social security, disability, child support, maintenance, public assistance, and any other sources.
3. Any information deemed necessary in connection with a consumer credit report or a real estate transaction.

This information will be for the confidential use of the City of David City in determining my/our eligibility for a loan from the City's CDBG Housing Reuse Program, or to confirm information that I/we have supplied. Please complete the attached verification request.

A photo or fax copy of this document may be deemed to be the equivalent of the original and may be used as a duplicate original. The original signed General Release of Information from will be kept on file with the City of David City.

Last, First, M.I.

Last, First, M.I.

Social Security #

Social Security #

Address

Address

City, State, Zip

City, State, Zip

Signature

Date

Signature

Date

**CITY OF DAVID CITY
CDBG HOUSING REUSE PROGRAM**

City Hall
557 4th Street
David City, NE 68632
(402) 367-3135

**LEAD HAZARDS ADVISORY
ACKNOWLEDGEMENT FORM**

I/we have received a copy of the EPA publication entitled "Protect Your Family from Lead in Your Home."

Signature of Applicant

Date: _____

Signature of Applicant

Date: _____

**CITY OF DAVID CITY
CDBG HOUSING REUSE PROGRAM**
City Hall
557 4th Street
David City, NE 68632
(402) 367-3135

NOTICE TO LOAN APPLICANT
DISCLOSURE OF CREDIT SCORE

In connection with your application for a loan, the lender must disclose to you the score that a consumer reporting agency distributed to users and the lender used in connection with your home loan, and the key factors affecting your credit scores. The credit score is a computer generated summary calculated at the time of the request and based on information that a consumer reporting agency or lender has on file. The scores are based on data about your credit history and payment patterns. Credit scores are important because they are used to assist the lender in determining whether you will obtain a loan. They may also be used to determine what interest rate you may be offered on the mortgage. Credit scores can change over time, depending on your conduct, how your credit history and payment patterns change, and how credit-scoring technologies change. Because the score is based on information in your credit history, it is very important that you review the credit-related information that is being furnished to make sure it is accurate. Credit records may vary from one company to another. If you have questions about your credit score or the credit information that is furnished to you, contact the consumer reporting agency at the address and telephone number provided with this notice, or contact the lender, if the lender developed or generated the credit score. The consumer reporting agency plays no part in the decision to take any action on the loan application and is unable to provide you with specific reasons for the decision on a loan application. If you have any questions concerning the terms of the loan, contact the lender:

City of David City, Nebraska
557 4th Street
David City, NE 68632
(402) 367-3135

For information on FICO scores, please contact the developer, Fair Isaac Corporation, at www.myfico.com or 1-800-777-2066.

TRANSUNION P.O. BOX
1000 CHESTER, PA
19022 (800) 888-
4213 WWW.TRANSUNION.COM

EQUIFAX P.O. BOX
105851 ATLANTA, GA
30348 (800) 685-
1111 WWW.EQUIFAX.COM

EXPERIAN P.O. BOX
2104 ALLEN, TX
75013 (888) 397-
3742 WWW.EXPERIAN.COM

I undersigned fully understand that I have the right to request my credit report from the City of David City, Nebraska.

CERTIFICATION:

Signature: _____ Date: _____

Signature: _____ Date: _____

**CITY OF DAVID CITY
CDBG HOUSING REUSE PROGRAM
APPLICATION**

City Hall
557 4th Street
David City, NE 68632
(402) 367-3135

Which City of David City Housing Reuse Programs Loan are you applying for?

Owner-Occupied Housing Rehabilitation Application YES NO
Down Payment Assistance Application YES NO

PART 1: HOUSEHOLD INFORMATION

Section A - Please complete the following section for all household members age 18 or older who will occupy the property. Make copies if necessary for any additional household members.

Name of Primary Applicant: _____

Current Address (street, city, state, _____
zip): _____

Phone Work (____) _____ Home (____) _____ Cell (____) _____

Email: _____

Birthday: _____ Gender: _____ Number of people to live in your household _____

Are you a full-time student? YES NO Are you currently Employed? YES NO

Mailing Address (if different): _____

-

Federal funding agencies require us to collect ethnicity and race data to track Fair Housing performance.

Ethnicity (please choose one): Hispanic or Latino **OR** Not Hispanic or Latino

Race (please choose *one or more* of the following):

American Indian or Alaska Native Asian Black or African American

Native Hawaiian or Other Pacific Islander White

Name of Secondary Applicant: _____

Current Address (street, city, state, _____
zip): _____

Phone Work (____) _____ Home (____) _____ Cell (____) _____

Email: _____

Birthday: _____ Gender: _____ Number of people to live in your household _____

Are you a full-time student? YES NO Are you currently Employed? YES NO

Mailing Address (if different): _____

-

Name of Others: _____

Current Address (street, city, state, zip): _____

Phone Work (____) _____ Home (____) _____ Cell (____) _____

Email: _____

Birthday: _____ Gender: _____ Number of people to live in your household _____

Are you a full-time student? YES NO Are you currently Employed? YES NO

Mailing Address (if different): _____

Section B – Other Information.

1. Do you or any household members currently own a home?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
2. Can you furnish a letter of recommendation from your current landlord?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
3. Do you presently budget your expenses?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
4. Have you been separated or divorced within the last 3 years?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
5. Are there any outstanding judgment against any member of your household?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
6. Has a member of your household been declared bankrupt within the past 7 years?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
7. Are any members of your household currently party to a lawsuit?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
8. Are you currently delinquent or in default on any loan of any kind?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
9. Are you obligated to pay alimony, child support, or maintenance?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
10. Are you a co-maker or endorser on any note?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
11. Are you a United States citizen?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
12. Address/Location of proposed property for purchase:				
13. Do you have a proposed Purchase Agreement for the identified property?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
14. Do you anticipate changes in the income of any household member during the upcoming 12 months?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
Please explain any anticipated changes:				
15. Are home improvements needed?		<input type="checkbox"/> YES	<input type="checkbox"/> NO	
Improvements Needed	Roof	<input type="checkbox"/> YES <input type="checkbox"/> NO	Insulation	<input type="checkbox"/> YES <input type="checkbox"/> NO
	Exterior siding/painting	<input type="checkbox"/> YES <input type="checkbox"/> NO	Interior wall	<input type="checkbox"/> YES <input type="checkbox"/> NO

			/ceilings/floors	
	Furnace	<input type="checkbox"/> YES <input type="checkbox"/> NO	Foundation	<input type="checkbox"/> YES <input type="checkbox"/> NO
	Water heater	<input type="checkbox"/> YES <input type="checkbox"/> NO	Windows – storms/permanent	<input type="checkbox"/> YES <input type="checkbox"/> NO
	Plumbing	<input type="checkbox"/> YES <input type="checkbox"/> NO	Doors – storm/exterior	<input type="checkbox"/> YES <input type="checkbox"/> NO
	Wiring/Electrical Service	<input type="checkbox"/> YES <input type="checkbox"/> NO	Chimney	<input type="checkbox"/> YES <input type="checkbox"/> NO
	Other (please specify) :			

PART 2: INCOME AND ASSET INFORMATION

Please complete a separate Income and Asset Section for EACH individual in the household who receives income or holds assets. Make copies of this part of the application if necessary. You do not need to provide employment income information for household members younger than 18. You do need to include assets held by children, or benefit income received by children.

On the following list, check YES if you receive the particular income, and check NO if you do not receive the income. You will need to provide verification for each item checked YES.

The following information is for: (*Name*)

Section A - Income Information.

Gross income is the combined household income which includes, but is not limited to, job earnings, Social Security and Social Services (for all in household), TANF, VA benefits, unemployment income, military pay, worker's compensation payments, child support, alimony/maintenance payments, income from pensions or retirement plans, stocks, etc. Failure to report household income is considered fraud and can have serious consequences.

Employment Income (Do not include employment income of children younger than 18)

Self-Employment	Type of Income	Received?	Gross Monthly Wages	
<i>Name of Business:</i>	Self-Employment	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Employer # 1	Type of Income	Received?	Gross Monthly Wages	
<i>Name and Address of Employer:</i>	Wages/Salaries	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
	Overtime Pay	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
	Commission	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
	Fees/Tips	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
	Bonuses	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	

Avg. # hours/week: _____				
Employer # 2	Type of Income	Received?	Gross Monthly Wages	
Name and Address of Employer:	Wages/Salaries	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
	Overtime Pay	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
	Commission	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
	Fees/Tips	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
	Bonuses	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Avg. # hours/week: _____				
PLEASE ADD ALL EMPLOYMENT INCOME AND RECORD HERE \$ _____				

Section B – Other Income Information.

Name:

Benefit Income

Type of Income	Receive?	Monthly Amount	Clarification (as necessary)
Social Security	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Supplemental Security Income (SSI)	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Supplemental Security Disability Income (SSDI)	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Worker's Comp	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Disability pay/benefits	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Unemployment Insurance	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Severance Pay	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Annuities	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Insurance Policy Payment	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Pension	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Retirement Benefits	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Armed Forces Pay	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
PLEASE ADD ALL BENEFIT INCOME AND RECORD HERE: \$ _____			

Other Sources of Income

Type of Other Income	Received?	Monthly Amount	Clarification (as necessary)
Money or gifts regularly given by persons not living in the home	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	

Lottery winnings paid periodic payments	YES NO	\$	
Other Income (please specify)	YES NO	\$	
PLEASE ADD ALL OTHER INCOME AND RECORD HERE: \$ _____			

Section C – Asset Information.

Name: _____

An asset is cash or no cash item that can be converted to cash.

Report the following assets: Cash held in saving accounts, checking accounts, safe deposit boxes, homes, etc. Equity in rental property or other capital investments. Cash value of stocks, bonds, Treasury bills, certificates of deposit and money market accounts. Individual retirement and Keogh accounts (even though withdrawal would result in a penalty). Retirement and pension funds. Cash value of life insurance policies available to the individual before death. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc. Lump sum or one-time receipt, such as inheritances, capital gains, lottery winnings, victim’s restitution, insurance settlements and other amounts not intended as periodic payments. Mortgages or deeds of trust held by an applicant. **Do Not Report** necessary personal property such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.

Bank Accounts

Name of Institution	Type of Account	Current Balance
	Checking	\$
	Checking	\$
	Checking	\$
	Savings	\$
	Savings	\$
	Money Market	\$
	Money Market	\$
	Other (please specify)	\$
PLEASE ADD ALL BANK ACCOUNT BALANCES AND RECORD HERE: \$ _____		

Other Assets

Name of Institution	Type of Investment	Current Value of Assets
	Individual Stocks	\$
	Bonds	\$
	Mutual Funds	\$
	Trust Funds	\$
	Retirement Accounts (i.e. IRA, Keogh, 401K, 403B, PERA)	\$
	IRA/Keogh/401K	\$
	Cash Value of life insurance policy	\$
	Gift Money for down payment – provide a copy of the	\$

	gift letter	
	Estimated Proceeds from Sale of Home	\$
	Value of Other Property (please specify)	\$
	Other Asset (please specify; this includes mobile homes)	\$

PLEASE ADD VALUE OF ALL OTHER ASSETS AND RECORD HERE: \$ _____

Section D – Applicant Obligations

Name: _____

Alimony and Child Support

Provide a copy of the court order for each type of support and indicate whether you are actually receiving

Type of Support Income	Received?	Monthly Amount	Clarification (as necessary)
Alimony / Maintenance	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	
Child Support	<input type="checkbox"/> YES <input type="checkbox"/> NO	\$	

PLEASE ADD ALL SUPPORT INCOME AND RECORD HERE:

\$ _____

Other Obligations

Provide **ALL** Monthly Installments and Loan Payments

Name of Institution	Monthly Payment
Credit Card Payment (s)	\$
Current Mortgage/Rent	\$
Auto Loan (s)	\$
Electric/Gas/Water/Sewer	\$
Cable/Phone/Internet	\$
Student Loan (s)	\$
Homeowner's Insurance	\$
Property Taxes	\$
Medical Payment (s)	\$
Other	\$

PLEASE ADD VALUE OF ALL OTHER ASSETS AND RECORD HERE:

\$ _____

Council member Scribner made a motion to approve the CDBG Housing Reuse Loan for Application No. 48. Council member Kroesing seconded the motion. Voting AYE: Council members Smith, Hein, Rogers, Kroesing, and Scribner. Voting NAY: None. Council member Bill Yindrick was absent. The motion carried.

Council member Kroesing made a motion to approve the CDBG Housing Reuse Loan for Application No. 49. Council member Scribner seconded the motion. Voting AYE: Council members Smith, Scribner, and Kroesing. Voting NAY: Council members Hein and Rogers. Council member Yindrick was absent. {Clerk Kovar questioned if it needed the majority of those elected. City Attorney Jim Egr said it passed as it was a majority of those present. Egr said you only need the majority of those elected for an ordinance.} The motion carried.

Council member Scribner introduced Resolution No. 8 - 2009 and moved for its passage and adoption. Council member Smith seconded the motion. Council member Hein questioned the City Office summer hours - 7:30 a.m. - 4:00 p.m.. Hein stated we are here to provide a service and he felt that the City Office should remain open until 5:00 p.m. Council member Scribner stated that the council makes the rules but the employees make it work. Council member Hein asked if he had actually read through the employees' manual; the employees are treated very well. Voting AYE: Council members Rogers, Kroesing, Smith, and Scribner. Voting NAY: Council member Hein. Council member Yindrick was absent. The motion carried and Resolution No. 8 - 2009 was passed and approved as follows:

RESOLUTION NO. 8 - 2009

A RESOLUTION OF THE CITY OF DAVID CITY, NEBRASKA ADOPTING THE DAVID CITY PERSONNEL MANUAL; REPEALING ALL POLICIES IN CONFLICT HEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of David City, Nebraska maintains a Personnel Manual to provide clear policies and administration of policies as related to employees and employment conditions; and

WHEREAS, the Personnel Manual is amended from time to time to promote a positive working environment for all employees, to provide for meaningful benefits and to provide clear expectations for employees of the City of David City, Nebraska.

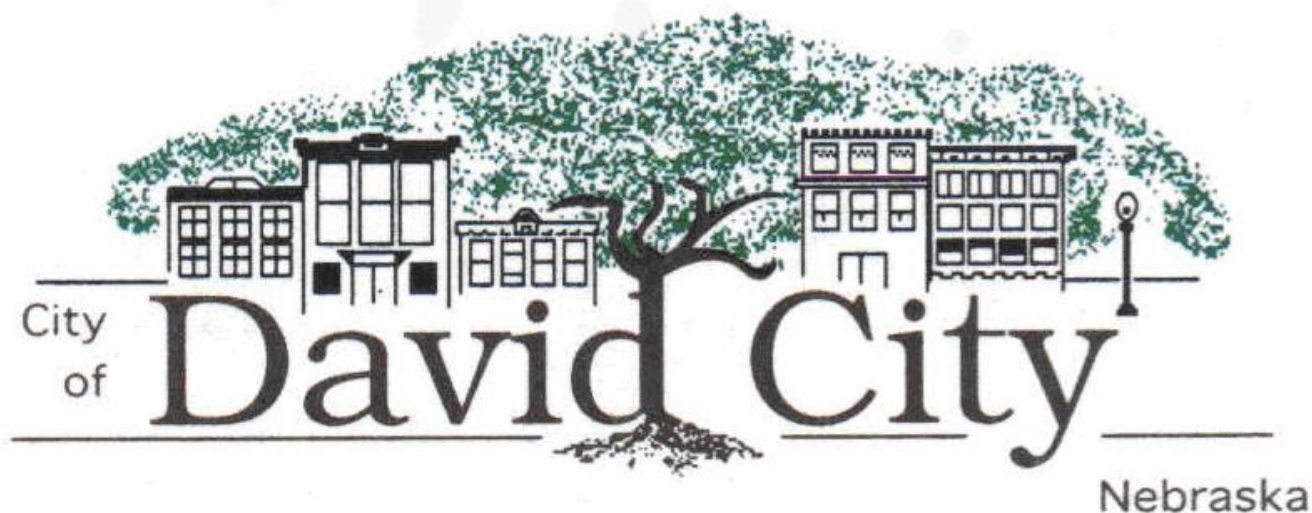
NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA, that the Personnel Manual is hereby adopted in its entirety, as attached hereto, and as if fully incorporated herein on March 11, 2009.

PASSED AND APPROVED this 11th day of March, 2009.

Mayor Dana Trowbridge

ATTEST:

City Clerk Joan E. Kovar



PERSONNEL MANUAL

RESOLUTION NO. _____

EFFECTIVE DATE: _____

TABLE OF CONTENTS

CHAPTER 1	GENERAL PROVISIONS
CHAPTER 2	EQUAL EMPLOYMENT OPPORTUNITY
CHAPTER 3	CLASSIFICATION AND PAY PLAN INCLUDING OTHER BENEFITS
CHAPTER 4	BENEFITS
CHAPTER 5	HOURS OF WORK AND OVERTIME
CHAPTER 6	POLICE DEPARTMENT HOURS & OVERTIME
CHAPTER 7	LEAVE
CHAPTER 8	GRIEVANCES AND DISCIPLINE
CHAPTER 9	ELECTRONIC COMMUNICATIONS SYSTEMS
CHAPTER 10	DRUG FREE WORKPLACE
CHAPTER 11	MISCELLANEOUS MATTERS

CHAPTER 1

GENERAL PROVISIONS

- 1.01** Purpose of the Personnel Rules: These rules are intended to serve the following purposes:
- a) To inform employees of their rights, duties, and obligations in relation to their employer.
 - b) To provide guidelines for Department Heads to manage employees in their department.
 - c) To ensure compliance with all federal, state and local laws in relation to employment and working conditions.
 - d) To encourage and foster good working relationships between employees and employer.
 - e) These rules are provided for informational purposes only and should not be construed as a contract of employment. Since this guide does not represent a contract between the city and the worker; the employer has the right to change the policies in the guide at any time -- for any reason.
- 1.02** Coverage of the Rules: These rules apply to all employees of the City of David City, Nebraska.
- 1.03** Authority for Change in the Rules: These rules are issued by authority of the City Administrator. The rules may be amended from time to time as needs require. Suggestions for amendments in the rules are welcome at any time from any employee. Suggestions should be submitted in writing to the City Administrator.
- Copies of the complete Employees' Manual, with the pay plan, are issued to all Department Heads and other supervisors. All employees shall be given a copy of these rules by his department head or by the City Administrator or the City Clerk. Holders of copies of the complete manual are responsible for inserting changes as they are issued and keeping their respective copies of the manuals up to date.
- 1.04** Technical Rules: These rules relate to matters of personnel management. They do not cover any departmental procedures, standard practices, standing orders or other technical matters. The department heads have authority to make departmental rules not in conflict with these rules, and otherwise to direct the conduct of the work of their respective departments.
- 1.05** Appointing Authority: Department Heads shall be appointed by the Mayor, as provided by Ordinance, upon the recommendation of the City Administrator. Employees subordinate to the Department Heads shall be employed as provided by City Ordinance.

- 1.06** Types of Employment: Employment of employees to positions under these rules shall be of the following types:
- a) Probationary employment (See 11.02).
 - b) Regular employment. Upon the satisfactory completion of the probation period, employees are placed on regular status.
 - c) Temporary employment. Employees may be given temporary employment, which status can exist for, and is limited to, no more than one year. Such employees do not receive fringe benefits.

Positions may be full-time or part-time and may be occupied by employees under any of the three types of employment.

- 1.07** Language of the Manual: The following rules of construction shall apply unless inconsistent with the plain meaning of the context of this manual.

Tense - Words used in the present tense include the future tense.

Number - Words used in the singular include the plural, and words used in the plural include the singular.

- 1.08** All Departments that may be called back to work for emergency purposes (City Administrator, Water Department, Sewer Department, Electric Department, Power Plant Department and Street Department) are required to reside within the one mile zoning jurisdiction of the City of David City. Employees shall establish residency within six months after the calendar day of the start of employment and will maintain residency during the term of employment.

CHAPTER 2

EQUAL EMPLOYMENT OPPORTUNITY (E.E.O.)

- 2.01** It is the general policy of the City not to discriminate upon the basis of race, color, religion, national origin, age, sex, marital status or disability.
- 2.02** Equal Employment Opportunity Manager: The City Administrator is hereby designated as the Equal Employment Opportunity Manager for the City, to ensure that the equal employment opportunity policies are carried out. The City Administrator shall be responsible for the training of all supervisors (including those under appointed authorities) in equal employment opportunity matters.
- 2.03** Continuous Review: the City Administrator shall maintain a continuous review of the equal employment opportunity program of the City. The City Administrator shall monitor employment, promotions, pay increases, dismissals, and other personnel transactions to eliminate discriminatory practices. The City Administrator shall publicize the equal employment opportunity policy to employees, employment agencies and other sources of recruitment, vendors and contractors, and the public.
- 2.04** Rejections of Protected Persons: Upon receipt of a rejection of a minority person or of a female for a non-clerical position, the City Administrator shall investigate the facts of the rejection. The reports of rejections and any reports of investigations shall be retained for three years.

- 2.05** Career Development: The City Administrator shall conduct a career development program for employees in the City service. The City Administrator shall identify persons, who are qualified for promotion or who may become so qualified through further training, and keep records of their potential for promotion. The City Administrator shall also identify positions into which such persons may be promoted, without regard to departmental lines, and when vacancies arise in positions so identified, shall encourage the appointing authorities to make promotions of qualified employees.
- 2.06** Counseling: Any employee, who believes that he or she has been discriminated against, may seek counseling from the City Administrator (Equal Employment Opportunity Manager), whether or not he has discussed the matter with his immediate supervisor or has or has not filed a grievance.

CHAPTER 3

CLASSIFICATION AND PAY PLAN

- 3.01** All City positions, whether occupied or vacant, are classified and are allocated pay grades within the pay plan. More than one position may be placed on the same pay grade. The basis for determining pay grades is comparability with similar towns as determined by survey data.
- 3.02** Each pay grade is divided into twenty-one steps. The basis for moving from one step to the next will be longevity. Longevity will be determined by the employee's anniversary date, either date of hire or date the employee was placed in their present pay grade, whichever is more appropriate.
- 3.03**
- a) A new employee, who meets the minimum qualifications of a position, will be placed on the "A" Step.
 - b) If an employee is qualified beyond minimum for a position, that employee will be credited with an appropriate number of years of service and will be placed on the corresponding pay step. Future longevity will be determined by adding actual years of employment with the City to the credited years of service. Such an employee will not receive a pay increase at the end of their probationary period.
- 3.04** An employee, who is promoted to a higher position, will be placed on "A" Step for that new pay grade. If the employee's current pay is higher than the "A" Step in the new pay grade, the employee will be placed on the step which equals that employee's present pay. The City Administrator will have the option of granting a pay increase to a promoted employee by placing that employee on the next highest pay step from the step which corresponds to the employee's present pay. A promoted employee will serve a probationary period but will not receive a pay increase at the end of such probationary period.
- 3.05**
- a) An employee, with a pay rate higher than "V" Step, will be frozen in pay until such time as the pay grade catches up to the employee's pay. This freeze will not apply to cost of living increases.
 - b) An employee, whose pay rate corresponds to a level of longevity higher than is actually the case, will be frozen in pay until their actual longevity corresponds to their pay step. This freeze will not apply to cost of living increases.

- 3.06** a) The entire pay grid will be adjusted when cost of living adjustments are granted.
- b) Future pay grid adjustments, except for the cost of living adjustments, will be based on survey data obtained from comparable towns.

CHAPTER 4

BENEFITS

In addition to the wages set forth in the pay plan, employees (except temporary) shall receive other benefits which have significant value.

Regular full-time employees (those working a minimum of 40 hours per week) are eligible for the following benefits:

4.01 Medical and Life Insurance:

Employees must work a minimum of 40 hours per week to be eligible for the medical and life insurance benefits. (Council action 11/10/93)

- a) Medical insurance is with Starmark. This is a dual coverage plan with allows individual employees to choose either the HSA/MSA high deductible or the standard \$500 deductible PPO. The health insurance coverage runs from June 1st through May 31st. The HSA runs from January 1st through December 31st.

For those employees selecting the HSA:

Effective June 1, 2004, the City will contribute 7/12's of the deductible which is the maximum allowed by IRS rules. (\$2,333.33 for family coverage and \$1,166.67 for single coverage).

Effective January 1, 2005, the City will contribute 100% of the deductible (\$4,000 for family; \$2,000 for individuals) which money will be deposited directly into the employees HSA account.

Effective January 1, 2006, and each year following, the City will contribute 75% of the deductible (\$3,000 for family; \$1,500 for individuals) which money will be deposited directly into the employees HSA account.

The employee pays 25% of the monthly premium regardless of which coverage plan they have chosen. The City pays the balance.

(Council action 4-14-04 stated the City will contribute 100% of the deductible for the first 7 months; then 75% of the deductible for the next year. This was changed, however, 4-26-04 at a Committee of the Whole meeting, when it was determined that the City could not deposit 100% of the deductible in June 2004)

The Life Insurance covers only City employees. Only employees on the health insurance can have the life insurance unless they choose to pay the entire premium themselves.

- b) Employees hired prior to August 1, 1999 may receive a cash payment in lieu of the insurance listed above, upon providing proof of such coverage. The employee may receive \$88.75 per month for family coverage or \$16.90 per month for single. (Council action 7-14-99)

4.02 Worker’s Compensation: As required by State Statute.

4.03 Holidays with Pay: The following are designated as paid holidays.

- | | |
|---------------------------|--------------------------------|
| 1) New Year’s Day | 7) Columbus Day |
| 2) Martin Luther King Day | 8) Veteran’s Day |
| 3) Arbor Day | 9) Thanksgiving Day |
| 4) Memorial Day | 10) Day after Thanksgiving Day |
| 5) Independence Day | 11) Christmas Day |
| 6) Labor Day | 12) Individual Selectable Day |

When a national holiday falls on a Saturday, the preceding Friday shall be recognized as a day off with pay. When a national holiday falls on a Sunday, the following Monday shall be recognized as a day off with pay. All City and Utility Departments close 2 hours early on December 24, and 1 hour early on December 31.

Individual Selectable Days must be used during the year in which they are earned, effective December 31, 1986.

4.04 Vacation with Pay: Employees (working a minimum of 40 hours per week) shall be entitled to vacation with pay according to the following schedule:

<u>Years of Employment</u>	<u>Days Vacation Allowed</u>
After 1 year	5 days = 40 hours
After 2 through 9 years	10 days = 80 hours
After 10 through 15 years	15 days = 120 hours
After 16 years	16 days = 128 hours
After 17 years	17 days = 136 hours
After 18 years	18 days = 144 hours
After 19 years	19 days = 152 hours
After 20 years +	20 days = 160 hours

Any vacation time not used within eighteen months after the date on which the time accrued shall be lost. In special and worthy cases, when to limit the annual leave to the period therein specified would work a particular hardship, such leave may be extended in the discretion City Council. (R.R.S 81-1328)

Each employee, upon retirement, dismissal, or voluntary separation from city employment, shall be paid for unused accumulated vacation leave. Upon the death of an employee, his or her beneficiary shall be paid for unused accumulated vacation leave.(R.R.S. 81-1328)

Vacations shall be scheduled by the department head -- department heads shall schedule their vacation with the City Administrator. Vacation shall be allowed in half-hour increments.

Vacation time shall be requested twenty-four (24) hours prior to actual use.

4.05 Retirement System: The City will match employee contributions in an amount equal to the greater of 6% of regular pay or \$50.00 per month to a regular employee's Deferred Compensation Plan. The City currently has two deferred compensation plans to choose from. New employees will not be eligible for this benefit until they have been taken off of probationary status. This is a voluntary benefit in which employees may choose not to participate. Employees, who elect not to participate in this benefit, will not receive any type of in-lieu of payment from the City.

4.06 Bonuses and Rewards: The City Council, by resolution duly adopted, may make a lump sum bonus payment to any employee, who has, in the Council's opinion, rendered exceptional service to the City and the community. The purpose is to recognize and reward only unusually meritorious work of the employee.

Department heads and supervisors have a duty to identify, recognize, and reward outstanding performance by employees, including productivity in quality or quantity of work, quantities of leadership, special courtesy and good service to the public.

4.07 Longevity Recognition: The City of David City may present gifts with a monetary value to employees in recognition of years of employment and other special occasions as approved by the City Council, as follows:

5 years	\$ 10.00
10 years	\$ 15.00
15 years	\$ 30.00
20 years	\$ 50.00
25 years	\$ 80.00
30 years	\$110.00
35 years	\$140.00
40 years	\$170.00
45 years	\$200.00

4.08 Regular Part-time Employees are eligible for the following benefits:

1. Vacation time on a pro-rata basis. ♦
 2. Retirement benefits on a pro-rata basis. ♦
 3. Employees, who work an average of twenty (20) hours or more per week, are eligible for one-half (1/2) day of holiday pay as per Section 4.03.
 4. Employees, who work an average of twenty (20) hours or more per week, are eligible for one-half (1/2) day of sick leave per month, accrued as per Section 7.01.
 5. All part-time employees **are not eligible** for Personal Leave and Funeral Leave.
- ♦ Pro-rata basis: Calculated by percentage. (The percentage used for calculations is: 2080 hrs. per year) by the hours worked by the regular part-time employee in a

year. This is the percentage of vacation/retirement allowed based on the vacation / retirement benefits as outlined in Sections 4.04 and 4.05.

- 4.09** Full-time Employee Discounts permitted:
- 10% off Auditorium Rentals (including bar charges)
 - 10% off Swimming Pool Passes (family, couple, or single)
 - 10% off Schweser House Rentals
 - Gravel, White Rock, Mud Rock, etc. - allowed to purchase at cost
 - Car Batteries - allowed to purchase at cost

CHAPTER 5

HOURS OF WORK AND OVERTIME

- 5.01** Hours of Work: All Departments, except the Police Department and City Office, shall work a 40-hour workweek as the standard workweek unless otherwise provided. The standard workweek is 7:30 a.m. to 4:00 p.m. Monday thru Friday from Labor Day to Memorial Day, and 7:00 a.m. to 3:30 p.m. Monday thru Friday from Memorial Day to Labor Day. The City Office standard workweek is 8:00 a.m. to 5:00 p.m. Monday thru Friday from Labor Day to Memorial Day and 7:30 a.m. to 4:00 p.m. Monday thru Friday from Memorial Day to Labor Day.
- 5.02** Flextime: Flextime is an alternate 40 hour workweek schedule by which an employee's workweek is determined by the needs of the job and is subject to Department Head or City Administrator approval. Department Heads shall establish work periods and hours of work, which may differ from the hours of work to meet special department needs or workloads. Special department needs shall include, but not limited to, infrastructure construction, standard workweek snow removal, street painting, recycling, football events, track events, auditorium events, official committee and board meetings of the city, and any other known work that occurs before 7:30 a.m. or after 5:00 p.m. Monday thru Friday or on weekends.
- 5.03** Nonexempt Overtime/Compensatory Time: Time worked in excess of forty (40) hours in one week will be paid at the rate of time and one-half the regular rate of pay (excluding Police Department). Compensatory time may be taken in lieu of time and half pay for overtime worked if approved by the Department Head. Utilizing Compensatory time, each hour of overtime worked will be credited at one and one-half hours of time that can be taken off at a later date (excluding Police Department). The use of Overtime / Compensatory time, except for emergency Call-Out Time, facility precaution checks (rounds), weekend and holiday snow removal, mandatory attendance at an after hours meetings and other emergency situations. All other Overtime / Compensatory time must be

permitted in writing by the Department Head and meet the Departments needs. These hours shall be recorded in the payroll system at the time of accrual and use. Hours worked in excess of eight hours in one day may not necessarily be counted as overtime.

When Compensatory time is allowed by the Department Head or City Administrator, an employee may accrue no more than twenty-four (24) hours of compensatory time at any given time. Any exceptions to this provision must have the written authorization of the City Administrator.

Compensatory time shall be used within the same pay period from when it was earned. If compensatory hours are earned during the last week of the pay period, they may be carried over to be used during the next week following the pay period in which they were earned.

Overtime shall not be credited unless an employee is called back to work beyond their regularly scheduled hours of work, or in an emergency when it is required to remain on the job beyond the time regularly scheduled. For purposes of calculating overtime, hours worked shall include actual hour worked. Any payment for time not actually worked (leave time) shall not count towards the calculation of overtime.

Designated holidays, vacation time, individual selectable days, and sick leave time are included as hours of work for the purpose of calculating overtime during the week in which they fall (except for police).

- 5.04** Exempt Overtime/Compensatory Time: All exempt (Salary) employees shall not receive overtime compensation. All exempt employees may use compensatory time off at the amount and rate it was earned for hours worked in excess of 40 hours per week.
- 5.05** Work on Holidays: If an employee is required to work on a holiday, he/she shall receive eight hours of work credited to the total work week hours plus the number of hours actually worked on the holiday to be credited to the total week hours (except for Police). All hours of said hours shall be included in time worked in calculating overtime for the week.
- 5.06** Call Out Time: If after an employee has left his/her place of work and he/she is called back for duty, he/she shall be paid for at least one hour of work, which shall be included in time worked in calculating overtime for that week. For purposes of calculating Call-Out Time, hours worked shall include one hour plus actual time worked after one hour.
- 5.07** On Call Time: An employee, who carried a pager for a week, will be credited with two hours of compensatory time if the hours worked for that week total less than forty (40) hours. If the hours total forty (40) or more, a maximum of three hours will be credited toward compensatory time. Compensatory time shall be used during the pay period in which the hours are earned. If compensatory hours are earned during the last week of the pay period, they may be carried over to be used during the next week following the pay period in which they were earned. Overtime pay is not permitted in place of

compensatory time off. While an employee is On-Call Time, he/she shall be in a place and situation that allows for a response to any situation or need within thirty (30) minutes.

- 5.08** Standby Time: City Power Plant employees, who are not On-Call, will be credited with two hours of compensatory time during such times as Nebraska Public Power District mandates the David City Power Plant standby for possible electric energy production. An employee who is On-Call shall not receive any compensation for Standby Time. While an employee is on Standby Time, he/she shall be in a place and situation that allows for a response to any situation or need within thirty (30) minutes.
- 5.09** Breaks: A fifteen (15) minute break shall be allowed for each four (4) hours of work. If work conditions are such that travel, cleanup, etc., plus the break require more than fifteen (15) minutes, the break shall be taken on the site.

CHAPTER 6

POLICE DEPARTMENT HOURS AND OVERTIME

- 6.01** Pay Period: For the purposes of computing overtime, the Police Department shall utilize a twenty-eight (28) day, one hundred seventy-one (171) hour pay period.
- 6.02** Overtime: Hours exceeding one hundred seventy-one (171) in any one twenty-eight day work period shall be compensated at one and one-half (1½) times the regular rate of pay or granted compensatory time off at the rate of one and one-half (1½) hours for each hour of overtime worked. Hours worked in excess of eight (8) in one (1) day may not necessarily be counted as overtime.
- 6.03** Holidays: If an employee works on a national, state or local holiday, he/she shall receive eight hours of holiday pay at the regular rate and an additional six hours of holiday pay at the regular rate to account for holiday compensation of one and one-half for a normal twelve hour shift (fourteen hours total) and pay for the actual number of hours worked. (This does not apply to Individually Selectable Days). The holiday pay does not count towards hours worked.

If an employee works on a national, state or local holiday, he/she shall receive an additional day off without pay.

If a national holiday falls on an employee's regular day off, he/she shall receive eight hours holiday pay and an additional day off without pay.

Such days off shall be taken within the same twenty-eight (28) day period, in which they are earned. In cases where this is not possible, additional days off shall be taken within the twenty-eight (28) day period immediately following the period in which such days were earned.

- 6.04** Compensatory time shall be used during the pay period in which it is earned. If compensatory hours are earned during the last week of the pay period, they may be carried over to be used during the next pay period.

As per the request of Police Chief Sunday at the September 1, 1999 Committee of the Whole meeting, and the Council accepting the police department's budget during the September 8, 1999 council meeting, Vacation, sick leave, holidays, funeral leave, and personal leave, etc., does not count as hours worked. This applies to the police department only, as requested by the Police Chief.

- 6.05** Full-time Police Officer shall reside within thirty (30) miles of the corporate limits of the City of David City. Chief of Police shall reside within the corporate limits of the City of David City.

CHAPTER 7

LEAVE

- 7.01** Sick Leave: Sick leave with pay is a privilege granted to employees by the City for the benefit of the employee when he/she is sick. Sick leave is not an earned benefit and shall only be granted to employees who are ill and unable to work. Each full-time employee is credited with one working day of sick leave each month and is charged with sick leave actually taken. No employee may accrue more than one hundred twenty (120) days of sick leave. (See Council minutes - 12/13/89).

The employee shall notify the department head or supervisor of his/her illness before the time that he/she is due to report for work on the first day of illness. If he/she is physically incapable of giving notice in this manner, notice shall be given as soon as possible.

The department head or City Administrator may require the employee to present a medical certificate as to the fact of illness or as to the ability of the employee to perform his/her work upon returning from sick leave.

*** SICKNESS - SELF:** An employee may use sick leave when that employee is ill and unable to perform his/her work or has an appointment with a doctor.

*** SICKNESS - FAMILY:** An employee may use sick leave when an immediate family member (spouse, child, father, mother, father-in-law and mother-in-law) is ill or is hospitalized and needs the employee's care, or, requires the employee to take that family member for a doctor's appointment.

False claims for sick leave are causes for disciplinary action. Sick leave may not be converted into vacation leave.

- 7.02** Public Service Leave: An employee may take leave to serve as a member of a jury, upon being called as a witness because of his position in any court, upon being called as a witness because of his position in any court, upon being called as a witness in any

court proceeding; or, to enter military training for not more than two weeks in any one year. During the period of public service leave, the employee shall receive his/her regular pay less any amount received by him/her for performing such public service, provided, however, that no deduction shall be made for amounts earned of less than \$10.00 (R.R.S. 55-160).

An employee whose public service duty is completed before the end of his/her normal working day with the employee shall return to his/her City post of duty.

- 7.03** Military Leave: Military leave shall be governed by Neb. Rev. Stat. Sections 55-160 through 55-166 (Reissue 2004) or as amended by the Legislature.
- 7.04** Maternity Leave: A female employee may request maternity leave. Such leave shall be without pay (after accrued vacation and sick leave have been expended). After delivery and recuperation, the employee may request re-employment, every effort will be made to appoint her to the same or similar position that she formerly held.
- 7.05** Funeral Leave, Primary: Leave will be granted, not to exceed four (4) days per event, to employees to attend the funeral services of close family members, i.e., spouse, child, mother, father, mother-in-law, father-in-law, brother, sister, brother-in-law, sister-in-law, niece or nephew.

Funeral Leave, Secondary: Leave will be granted, not to exceed two (2) days per event, to employees to attend the funeral services or secondary family members, i.e., grandparents, grandparents-in-law, aunts, uncles and cousins.

- 7.06** Leave Without Pay: A department head or the City Administrator may grant leave without pay for compassionate reasons, or compelling personal reasons. Length of service, quality of performance, and the urgency of need shall be taken into account in passing upon such requests.
- 7.07** Personal Leave: Personal leave will be granted to regular full time employees prorated by years of employment as follows:

0 years to	4 years	- 2 days per year
5 years to	9 years	- 3 days per year
10 years to	14 years	- 4 days per year
15 years to	19 years	- 5 days per year
20 years to	24 years	- 6 days per year
25 years to	29 years	- 7 days per year
30 years to	34 years	- 8 days per year
35 years to	39 years	- 9 days per year
	40 years plus	- 10 days per year

Personal leave is not an earned benefit. Personal leave is deducted from accrued sick leave and may be used by the employee for any reason. If an employee does not have accrued sick leave then the employee shall not be granted personal leave. Personal leave shall be considered a privilege to reward employees for their attendance.

Only full-time employees (those working 40 hrs per week) are eligible for Funeral Leave and Personal Leave.

CHAPTER 8

GRIEVANCE AND DISCIPLINE

- 8.01** Aggrieved Employees: Any employee, who has a grievance relating to his/her employment, shall first present his grievance to his/her immediate supervisor, either orally or in writing.
- 8.02** Duties of Supervisors: The Department Head or supervisor receiving a grievance has a duty to listen with care to the employee, to arrive at a full understanding of his/her point of view, and to give the employee a clear and specific answer. If he/she believes the grievance to be of a substantial nature and not to have been settled to the full satisfaction of the employee, the Department head shall make an immediate record in writing of the facts and report the grievance to the City Administrator.
- 8.03** Appeal by Employee: An employee may appeal in writing any grievance or complaint to their Department Head. If the grievance concerns the employee's supervisor, he/she must still present his/her complaint to their supervisor. If the employee is not satisfied, he/she may appeal in writing to the City Administrator. If the employee is still not satisfied, a meeting will be scheduled with the employee, department head, City Administrator, Mayor, and the City Council.
- 8.04** Causes for Disciplinary Actions: The following acts or failures to act on the part of employees are proper cause for disciplinary action:
- a. Repeated and habitual tardiness or early departure;
 - b. Unsatisfactory performance of the quantity or quality of work considered standard for the position;
 - c. Failure to carry out a direct instruction by a superior;
 - d. Aggravated and habitual inability to get along with fellow workers;
 - e. Negligent or willful destruction of property while on duty;
 - f. Intoxication on duty;
 - g. Conviction of an offense related to drugs or alcohol;
 - h. Abuse of sick leave;
 - i. Absence without leave, including failure to notify the Department Head of injury or illness;
 - j. Discourtesy to the public;
 - k. Acceptance of any gratuity or gift for the performance or non-performance of official duties;
 - l. Conviction of a crime or of a misdemeanor involving moral turpitude, which would impair the employee's ability to perform his job duties;
 - m. Willful violations of these personnel rules;
 - n. Use of their City position for private gain;
 - o. Conduct prejudicial to the reputation of the City government.

- p. Breach of confidentiality relating to city and people receiving city services;
- q. Falsifying documents;
- r. Off duty use or involvement with drugs or alcohol which is damaging to the City's reputation;
- s. Off duty use or involvement with drugs or alcohol which adversely affects the employee's job performance.

8.05 Disciplinary Actions: Disciplinary action shall be taken by Department Heads, the acting Department Head, or the City Administrator. Discipline is restricted to the following actions:

- a. Face-to-face oral reprimand and warning, made in such terms that the employee clearly understands it to be a warning;
- b. A written memorandum addressed to the employee;
- c. Leave without pay;
- d. Dismissal;
- e. Demotion to a lower suitable pay scale.

Assignments to less than desirable tasks, shifts, hours of work, or any measures other than the foregoing may be used for disciplinary purposes provided that the assignment is consistent with the offense and that a written record is made of the action taken.

8.06 Recording and Reporting of Disciplinary Actions: The Department Head shall make a written record of his reasons for any disciplinary action of the kinds set out in these rules. A copy of this record shall be transmitted to the City Administrator and placed in the employee's file.

CHAPTER 9

ELECTRONIC COMMUNICATIONS SYSTEMS

This policy includes the telephone system, electronic mail, voice mail, facsimiles, computers, pagers, cellular telephones, the Internet and the World Wide Web.

- 9.01** Ownership of messages. The electronic communications systems (ECS) and all information created, sent, received, accessed or stored on them are the property of the City.
- 9.02** Business use. The ECS are to be used primarily to conduct business of the City. Reasonable personal use of such systems is permitted but must not interfere with an employee's productivity.
- 9.03** No presumption of privacy. Employees should assume that any communications they create, send, receive or store on the City's ECS may be read or heard by someone other than the intended recipient.
- 9.04** Employer's right to monitor messages. Management reserves the right to monitor, access,

retrieve and read any electronic communications to determine if violations of the law or this policy exists, and if necessary, disclose the same to law enforcement officials or other third parties.

- 9.05** Message restrictions. Electronic communications may not contain content that a reasonable person would consider to be defamatory, offensive, harassing, disruptive or derogatory.
- 9.06** Prohibitive activities. Employees may not upload, download, or otherwise transmit copyrighted, trademarked, or patented material; or other confidential, private or proprietary information or materials in violation of any legal constraints. Employees may not use the City's ECS to gain unauthorized access to remote computers or other systems, or to damage, alter or disrupt such computers or systems in any way. Employees may not, without authorization, use or disclose someone else's code or passwords.
- 9.07** Record retention. It is each employee's responsibility to ensure that those electronic messages that must be retained for future reference are in fact saved.
- 9.08** Viruses and tampering. Files downloaded from the Internet and any computer disks received from non-employer sources must be scanned with virus detection software before installation and execution. Employees must report any tampering or other system breaches to the City Administrator.
- 9.09** Violations. Violations of this policy may result in suspension of some or all electronic communication privileges, disciplinary action, or if necessary, termination.

CHAPTER 10

DRUG FREE WORKPLACE

- 10.01** The City of David City, Nebraska is committed to providing an employment environment that is safe and provides appropriate motivation to ensure a creative and productive workforce. To this end, the City unequivocally endorses the philosophy that the workplace should be free from the detrimental effects of illicit drugs. To ensure worker safety and workplace integrity, the City of David City, Nebraska prohibits the manufacture, possession, distribution or use of controlled substances in the workplace by its employees or those who engage or seek to engage in business with the City.

City of David City, Nebraska employees are prohibited from unlawful manufacture, distribution, dispensation, possession or use of alcohol and/or controlled substance in the workplace. Workplace means all property including, but not limited to, the offices, facilities and surrounding areas, parking lots, storage areas, owned or leased vehicles and equipment wherever located, whether owned or leased and whether or not they are in the control of the City. Any employee found violating this policy and/or convicted of violating any criminal drug statute while on the work place will be subject to discipline up to and including termination and/or, may be required to successfully complete an

approved drug/alcohol abuse program sponsored by a private or governmental institution.

There will be no differentiation between someone who illegally uses drugs and someone who sells or distributes drugs. Any employee who gives, or in any way transfers, a controlled substance to another person or sells or manufactures a controlled substance while on the job, while representing the City of David City, Nebraska in an official capacity or while on the workplace will be subject to the consequences listed above.

The term "controlled substance" means any drug listed in 21 U.S.C. 812, Neb. Rev. Stat. 28-401 et. seq. and other state or federal statutes or regulations. Generally, these are drugs which have a high potential for abuse. Such drugs include, but are not limited to: Heroin, Marijuana, Cocaine, PCP and Crack. They also include "prescription drugs" which have not been prescribed by a licensed physician.

A City of David City, Nebraska employee will be required to report within five days any criminal drug statute arrest(s) or conviction to his/her immediate supervisor. The supervisor will immediately report such conviction to the City Administrator.

10.02 PROCEDURES

- A. All newly hired temporary and permanent employees of City of David City, Nebraska will receive a copy of this policy contained in the Employee Manual. A signed statement of understanding and acknowledgement receipt for this policy will be maintained in the employee's personnel file.
- B. All new hires will receive drug abuse awareness information. Information will include:
 - 1. Review of this drug free work place policy
 - 2. Health and safety dangers associated with drug and alcohol use.
 - 3. Dangers of drug abuse in the workplace
 - 4. Availability of counseling and treatment services

10.03 Reasonable Cause Testing

- A. City of David City, Nebraska employees may be subject to drug and alcohol testing when there is reasonable cause or suspicion to believe the employee is using or under the influence of a controlled substance or alcohol while on duty or on the workplace.
- B. Reasonable cause or suspicion exists when the actions or appearances of an employee are out of the ordinary and unusual to the normal behavior patterns of the employee. It is based on objective facts sufficient to lead a prudent person to conclude that a particular employee is unable to satisfactorily perform his/her duties due to drug or alcohol impairment. The conduct relied upon to form reasonable cause or suspicion must be based on specific and articulable observations, including but not limited to, observable signs of intoxication (such as bloodshot or watery eyes, slurred speech, appearance, unsteady body movement or breath odors); a work related accident or near accident which

indicates employee fault; decreases in the quality or quantity of employee productivity, judgment, reasoning, concentration, marked changes in behavior, deviations from safe working practices, erratic conduct or credible information received from a reliable person with first hand knowledge are examples of reasonable belief situations.

- C. Upon determination by City of David City, Nebraska Department Head or the City Administrator that reasonable cause or suspicion exists to believe that an employee is under the influence of an intoxicating substance while on duty or on work premises, the City Administrator may direct the employee to undergo drug/alcohol testing. City of David City, Nebraska Department Heads and/or the City Administrator shall document the events surrounding this reasonable suspicion.
- D. If an employee is referred for testing all efforts will be made to transport the employee to the nearest testing facility. The employee will be required to provide a blood, breath or urine sample. The sample will be tested qualitatively for at least the following substances:
 - a. THC
 - b. Cocaine
 - c. PCP
 - d. Opiates
 - e. Methamphetamine/amphetamine
 - f. Alcohol
- E. An employee that is required to submit a sample for testing after determination of reasonable cause or suspicion shall be informed verbally and then followed by a written directive, that he/she is being placed on unpaid investigatory suspension, pending the outcome of an investigation.
- F. After the testing is complete the employee shall not be returned to work or allowed to drive home. The City of David City, Nebraska Department Head or the City Administrator will assist the employee in arranging for transportation home after the testing, preferably by a ride through a family member or friend.
- G. An employee who refuses to submit a sample under this policy will be placed immediately on unpaid investigatory suspension and will be subject to disciplinary action. Refusal by an employee to be tested, or confirmation by the lab of a specimen which has been adulterated shall be treated as a positive test. Employees suspected of being under the influence of drugs/alcohol and refuse to be escorted to be tested shall be given a directive not to drive home. Local law enforcement shall be notified if an employee suspected of being under the influence disregards a directive not to drive home and leaves in their vehicle.
- H. If the investigation determines a negative test for alcohol/drugs, the employee will be reinstated back to work and all leave without pay, during the investigatory suspension, will be paid back to the employee and all records of this investigation will be removed.

CHAPTER 11

MISCELLANEOUS MATTERS

11.01 A physical is a prerequisite of a post-offer of a new employee. As per the Americans with Disabilities Act:

- a. An employer may condition a job offer on the satisfactory result of a post-offer medical examination or medical inquiry if this is required of all entering employees in the same job category. A post-offer examination or inquiry does not have to be "job-related" and "consistent with business necessity." Questions also may be asked about previous injuries and workers' compensation claims.
- b. If an individual is not hired because a post-offer medical examination or inquiry reveals a disability, the reason(s) for not hiring must be job-related and necessary for the business. The employer also must show that no reasonable accommodation was available that would enable this individual to perform the essential job functions, or that accommodation would impose an undue hardship.
- c. A post-offer medical examination may disqualify an individual who would pose a "direct threat" to health or safety. Such a disqualification is job-related and consistent with business necessity.
- d. A post-offer medical examination may not disqualify an individual with a disability who is currently able to perform essential job functions because of speculation that the disability may cause a risk of future injury.

11.02 Probation Periods: Every employee, including appointed officials and regular part-time, shall be on probation for his first six months of employment. Such probation periods may, at the discretion of the supervisor or City Administrator, be terminated before the completion of the probation period, but not sooner than three months after employment began.

When the employee first reports for work, he or she shall be notified of the fact that he/she will be on probation for the first six months. During that time, the supervisor or City Administrator shall observe his/her work with particular care; and advise him/her whether he/she is progressing satisfactorily.

At the close of the probation period, the Department Head or City Administrator shall:

- a) Recommend an increase in pay within the scope of the pay plan;
- b) Extend the probation period not to exceed one period of three months, and, so notify the employee;
- c) Dismiss the employee; or,
- d) Recommend to the Mayor the dismissal of an appointed official.

Probationary employees are entitled to all benefits as set out in these rules except the Individual Retirement Account (IRA), Deferred Compensation Plan and Disability Insurance.

11.03 Employee Orientation: The Department Heads and supervisors have a duty to orient all new employees. Such orientation training includes the duties of the position, the hours

of work, relationships to the other employees, safety precautions, the rights and obligations of an employee, and information about the unit and department. The new employee should be made welcome and be encouraged to ask questions. He shall also be given a set of these rules and shall sign a receipt acknowledging that fact.

- 11.04** Employee Evaluations/Performance Reviews: All employees including appointed officials shall be subject to annual performance review to be performed by their immediate supervisor. The mayor and city council will perform the city administrator's performance review with input from the department heads.
- 11.05** Employment of Relatives: Two or more of the same immediate family shall not be employed to supervise each other or to do work under the same immediate supervisor. They may, however, be employed in different units of the same department or in different departments. The employment of family members under these circumstances is welcome. (This rule does not apply to cases of the employment of relatives existing on the effective date of these rules).
- Exception:** Swimming Pool Personnel ONLY: Two or more of the same immediate family may work under the same immediate supervisor. As with all employees: Two or more of the same immediate family shall not be employed to supervise each other.
- 11.06** Change of Status: All employees shall report changes of address, telephone number, number of dependents, marital status, name, etc., to the City Clerk.
- 11.07** Other Positions of Paid Employment: Full-time employees shall not hold other positions of paid employment or accept pay for services without the prior written approval of their respective Department heads or the City Administrator.
- 11.08** Pay at Termination: Employees, who are terminated, will normally be paid on the next following pay day. If they request, they may receive their pay no later than five working days following the effective date of termination. Checks will be mailed upon request. Utility bills, owed to the City, must be paid in full before the termination pay will be made.
- At the time of separation, an employee shall be paid for his/her vacation leave which has not been used.
- 11.09** Return of Property: At the time of separation and prior to receiving the final pay check, an employee shall return all tools, uniforms, or other City property issued to him/her in the course of his/her employment.
- 11.10** Political Activity: Employees shall not engage in political activities during their working hours or use City property or facilities for such activities. No supervisor or other person in authority shall, in any way, require an employee to support a candidate or a political activity.
- 11.11** Private Business Activities: Employees shall not engage in private business activities during their working hours and shall not use city property or facilities for such activities.

11.12 General Service: All employees are employees of the City at large, not employees of a department. Although each one may regularly fill a particular position, anyone may expect to assist in other work when asked to do so, provided that the work to be done does not require special knowledge and/or training, the lack of which might result in hazards to others and the employee.

11.13 City Equipment: Employees may not use the City equipment or tools for their personal benefit or gain except:

- a) With the approval of the Department Head, they may do minor work for themselves in the City's shops when they are not on duty;
- b) When the City Council or the City Administrator approves, City vehicles may be used for personal transportation.

11.14 Reimbursement Limits: The Federal I.R.S. limitations for Nebraska for reimbursement for mileage, lodging and meals when employees are attending schools, seminars, conferences, etc. on behalf of the city are adopted as follows:

Mileage: Mileage reimbursement rate for the City of David City will be the same as the mileage reimbursement rate set by the State of Nebraska's Department of Administrative Services, which is increased and decreased as necessary.

Lodging: Actual & Reasonable rates.

Meals: Not to exceed \$30.00 per day.

11.16 Travel Policy: Employees are permitted to attend meetings, schools, seminars, and conferences anywhere in the state of Nebraska, and/or within a 300 mile radius. Any other requested travel will be up to the discretion of the City Administrator.

11.17 Smoking/Use of Tobacco: Smoking (i.e. lighted cigar, cigarette, pipe, etc.) and use of any other tobacco products (i.e. chewing tobacco, snuff, etc.) in all City facilities, vehicles, and equipment is prohibited. This policy applies to all employees, customers, and visitors.

BIDS for HIGH DENSITY VERTICAL BALER

	Soild Waste Equipment, Co., Inc	Waste Processing Equipment, Inc.	J.V. Manufacturing, Inc.	
	PTR	MAX PAK	CRAM-A-LOT	
REQUIRED SPECIFICATIONS				
1100-1300 lbs corrugated bale weights	Yes	yes	Yes	
Bale chamber of 60" x 48" x 30"	Yes	yes	Yes	
System operating pressures of 2100 PSI	Yes	yes	Yes	
20 HP motor	Yes	no	Yes	
Key operated power On/Off Switch	Yes	yes	Yes	
Emergency Stop Button	Yes	yes	Yes	
Motor overload protection	N/A	N/A	N/A	
Automated bale size system	Yes	no	Yes	
Automated bale ejection system	Yes	yes	Yes	
Oil/hydraulic heating system	No	no	Yes	
Full length bale door hinge	Yes	yes	Yes	
Bid Price	\$19,955.72	\$7,880.00	\$13,728.00	
Fright & Installation	\$1,840.00	\$1,560.00	\$475.00	
TOTAL	\$21,795.72	\$9,440.00	\$14,203.00	

The bids received for a High Density Vertical Baler were reviewed. City Administrator Joe Johnson and Street Superintendent Jim McDonald applied for a grant and have received a letter from the Nebraska State Recycling Association that our grant has been approved in the amount of \$13,000. Council member Smith made a motion to accept the bid of J. V. Manufacturing, Inc., \$14,203.00, for a "Cram-A-Lot". (a high density vertical baler). Council member Scribner seconded the motion. Voting AYE: Council members Kroesing, Hein, Rogers, Scribner, and Smith. Voting NAY: None. Council member Scribner was absent. The motion carried.

Council member Kroesing introduced Resolution No. 9 - 2009 and moved for its passage and adoption. Council member Hein seconded the motion. Voting AYE: Council members Scribner, Rogers, Smith, Hein, and Kroesing. Voting NAY: None. Council member Yindrick was absent. The motion carried and Resolution No. 9 - 2009 was passed and approved as follows:

RESOLUTION NO. 9 - 2009

A RESOLUTION ADOPTING AND APPROVING THE EXECUTION OF AN AGENCY AGREEMENT WITH THE DEPARTMENT OF AERONAUTICS OF THE STATE OF NEBRASKA FOR PROJECT NO. G01 TO BE SUBMITTED BY THE DEPARTMENT TO THE FEDERAL AVIATION ADMINISTRATION TO OBTAIN FEDERAL ASSISTANCE FOR THE DEVELOPMENT OF THE AIRPORT:

Be it resolved by the Mayor and members of the City Council of David City, Nebraska, that:

1. The City shall enter into an Agency Agreement with the Department of Aeronautics for Project No. G01 for the purpose of obtaining Federal assistance in the development of the Airport and that such agreement shall be set forth hereinbelow.
2. The Mayor of the City of David City is hereby authorized and directed to execute said Agency Agreement on behalf of the City, and the Clerk is hereby authorized to attest said execution.
3. The said agreement, referred to hereinabove, is inserted in full and attached herewith, and made a part hereof as Exhibit "O".

PASSED AND APPROVED this 11th day of March, 2009.

Mayor Dana Trowbridge

ATTEST:

City Clerk Joan E. Kovar

EXHIBIT "0"

AGENCY AGREEMENT

Project No. G01

This is an agreement between the City of David City, Nebraska, hereinafter referred to as the "Airport Sponsor" and the Nebraska Department of Aeronautics, hereinafter referred to as the "Department," made and entered into in accordance with, and for the purpose of, complying with the laws of the State of Nebraska.

The Airport Sponsor desires to develop the David City Municipal Airport and to use federal airport aid funds available for that purpose. Therefore, the Airport Sponsor hereby designates the Department as its agent in accordance with Sections 3-124 and 3-239, R.R.S. 1943, and the Department hereby accepts such designation and agrees to act as the agent of the Airport Sponsor.

It is mutually understood and agreed between the parties that the Airport Sponsor has submitted to the Department its proposed project for the development of said airport, and that such project has been approved by the Department, in accordance with Section 3-239, R.R.S. 1943.

The Airport Sponsor hereby warrants, undertakes and agrees that if the Federal Aviation Administration makes a grant offer, and the Airport Sponsor executes a Grant Agreement, it will develop and manage said airport in the manner set forth in the Grant Agreement and abide by the conditions, rules and regulations of the Federal Aviation Administration.

The terms and conditions of this Agency Agreement and the respective duties, undertakings and agreements of the parties with respect to this Agency Agreement and with respect to the project of airport development, are as follows:

- A. The Department shall accept, receive, receipt for, and disburse all funds granted by the United States for airport aid in accordance with federal laws, rules and regulations and in accordance with Sections 3-101 to 3-154 and 3-239, R.R.S. 1943, as the agent of the Airport Sponsor.
- B. Upon receipt of such federal funds, the Department shall deposit them in the State Treasury, according to law, and shall cause disbursement to be made therefrom as follows:

FIRST: If the Department advances funds to the Airport Sponsor as the equivalent of the United States' share of allowable project cost, the Department shall reimburse itself for any such advancement out of such federal funds thereafter received.

SECOND: The Department shall cause the balance of such federal funds due the Airport Sponsor to be paid promptly to the Airport Sponsor.

- C. The Department shall maintain accurate records of all the funds received and expended by it in connection with the project. These records shall be open to inspection by the Airport Sponsor, the Federal Aviation Administration and their authorized representatives in the offices of the Department at all reasonable times.

- D. The Airport Sponsor reserves the right, power and authority to execute the Application for Federal Assistance, the federal Grant Agreement, all construction and engineering contracts, all agreements related to the purchase of land and all amendments to these items. Aside from the matters so reserved, the Department shall, as agent for the Airport Sponsor, process, execute and submit to the Federal Aviation Administration all papers, forms and documents required by that agency for the approval, carrying out and completion of the project.
- E. The Airport Sponsor agrees to reimburse the Department for its administrative costs of furnishing all services performed by it as agent of the Airport Sponsor, including, but not limited to, the services set forth in the attached Exhibit A, "Administrative Services". Departmental administrative costs charged to the project are considered allowable costs for federal and state participation. These costs will be charged according to the "Schedule of Fees and Charges" shown in the attached Exhibit B, which schedule shall be subject to change upon notification in writing by the Department to the Airport Sponsor.

As used herein, the following words, terms and phrases shall have the meanings herein given:

"Application for Federal Assistance" means the document prepared as the formal application submitted to the Federal Aviation Administration for a grant of federal funds.

"Develop" means to plan, construct or improve the airport as defined in the Application for Federal Assistance.

"Project" means a plan of action for the accomplishment of specific airport developments.

"Grant Agreement" means the contract between the United States of America and the Airport Sponsor in which the Federal Aviation Administration, on behalf of the United States, agrees to pay a portion of the allowable costs of the project.

Executed by the Nebraska Department of Aeronautics this 2nd day of March, 2009.

**RESOLUTION
DO NOT SIGN**

(SEAL)

Director

Executed by the Airport Sponsor this _____ day of _____, 20__

**RESOLUTION
DO NOT SIGN**

**RESOLUTION
DO NOT SIGN**

Clerk

Mayor

**EXHIBIT B
AGENCY AGREEMENT
SCHEDULE OF FEES AND CHARGES**

- A. Salary Costs. Charges will be the monthly rate worked times an overhead/benefits factor for the following positions:

Engineer VI	Engineering Associate (all)*
Engineer V	Engineering Aide (all)*
Engineer IV	Accountant (all)
Engineer III	Accounting Clerk*
Engineer II*	Attorney (all)
Engineer I*	Drafter (all)*

The overhead/benefits factor will be determined annually based on an audit performed in accordance with OMB Circular A87, "Cost Principles for State, Local and Indian Tribal Governments".

* Employees in these positions receive time and one half for time worked over 40 hours per week.

- B. Living Costs and Outside Expenses. Actual.

Charges will be actual expenses and shall include meals, lodging, telephone calls, etc. normally paid by Department.

- C. Materials, Supplies, & Rental Equipment. Actual.

Charges will be actual costs and shall be charged in accordance with invoices, billings, contracts or agreements.

- D. Transportation. Actual.

Charges will be those established by Department policy for all users for operating a state automobile or using a state aircraft.

**EXHIBIT A
AGENCY AGREEMENT
ADMINISTRATIVE SERVICES**

1. Conduct airport site inspections.
2. Review and secure federal approval of Airport Layout Plans (ALP).
3. Prepare and process CIP Data Sheets and related documents used to request an allocation of federal funds, if requested by the Sponsor.
4. Assist in the preparation and processing of Environmental Impact Statements and other environmental studies.
5. Review and process land acquisition documents, title opinions, sponsor certifications and audit reports.
6. Prepare an independent cost analysis of consultant costs, if requested by the Sponsor.
7. Prepare a Disadvantaged Business Enterprise (DBE) Program, if requested by the Sponsor and represent the Sponsor in the DBE Unified Certification Program.
8. Review, process, and secure federal approval of all contracts and agreements, change orders and amendments to these agreements.
9. Attend pre-design conferences and conduct design (plan-in-hand) inspections.
10. Review and process the plans, specifications, special provisions and contract documents. Provide U.S. Labor Department wage rate determinations.
11. Attend prebid and preconstruction conferences.
12. Prepare and secure execution of Applications for Federal Assistance and associated documents. Prepare and process program changes.
13. Process Grant Agreements and amendments.
14. Review periodic pay estimates and forward federal funds to the Airport Sponsor.
15. Prepare applications, requests, transfers or letters of credit for Grant Agreement payments.
16. Conduct or participate in periodic and final inspections.
17. Prepare and/or process other federal documents not otherwise specifically covered above.

Council member Kroesing made a motion to approve the request of Richard Ludvik / Ka-Boomer's Inc., for a fireworks permit at 1510 4th Street, David City, Nebraska, between June 25th and July 4, 2009. Council member Scribner seconded the motion. Voting AYE: Council members Smith, Rogers, Scribner, and Kroesing. Voting NAY: Council member Hein. Council member Yindrick was absent. The motion carried.

Council member Hein made a motion to go into executive session to have conversations regarding strategic planning for 911 communication services. Council member Kroesing seconded the motion. Voting AYE: Council members Rogers, Smith, Scribner, Kroesing, and Hein. Voting NAY: None. Council member Yindrick was absent. The motion carried.

Mayor Trowbridge stated that the City Council was going into executive session to have conversations regarding strategic planning for 911 communication services.

Council members Smith, Hein, Scribner, Rogers, and Kroesing, Mayor Trowbridge, City Administrator Joe Johnson, City Attorney Jim Egr, Police Chief Sunday, and City Clerk Joan Kovar went into executive session at 8:28 p.m.

Council member Scribner made a motion to come out of executive session at 9:08 p.m. Council member Smith seconded the motion. Voting AYE: Council members Kroesing, Hein, Rogers, Smith, and Scribner. Voting NAY: None. Council member Yindrick was absent. The motion carried.

{City Attorney Egr stated that a motion is needed to go into executive session, however, a motion is not needed to come out of executive session; the council can just come out of executive session.}

There being no further business to come before the Council, Council member Hein made a motion to adjourn. Council member Smith seconded the motion. Voting AYE: Council members Kroesing, Rogers, Scribner, Smith, and Hein. Voting NAY: None. Council member Yindrick was absent. The motion carried and Mayor Trowbridge declared the meeting adjourned at 9:09 p.m.

Mayor Dana Trowbridge

City Clerk Joan E. Kovar



CERTIFICATION OF MINUTES
March 11, 2009

I, Joan E. Kovar, duly qualified and acting City Clerk for the City of David City, Nebraska, do hereby certify with regard to all proceedings of March 11, 2009; that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the office of the City Clerk; that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting; that the minutes of the meeting of the City Council of the City of David City, Nebraska, were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; that all news media requesting notification concerning meetings of said body were provided with advance notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Joan E. Kovar, City Clerk